

CURRENT *History* A MONTHLY MAGAZINE OF WORLD AFFAIRS

APRIL 1964

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FOR READING TODAY...FOR REFERENCE TOMORROW

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CURRENT History

APRIL, 1964

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In this issue, seven specialists explore the political, military, economic and cultural aspects of Japanese life today. Our introductory article deals with . . .

Japan's Relations with China

By PAUL F. LANGER

Staff member, the RAND Corporation

WHEN JAPANESE and Chinese refer to one another, they often use a term composed of four Chinese characters which translate literally as "same script same kind" (*dōbun dōshu* in Japanese and *t'ung wen t'ung chung* in Chinese). For having employed this traditional expression, the Japanese conservative political leader Matsumura Kenzō and his Chinese Communist hosts were labeled "racists" by *Pravda* in August, 1963.

Actually, Matsumura merely sought to give expression to a widespread conviction among the Japanese that their country is linked to China by the indestructible bonds of a shared cultural heritage which reach back to the very beginnings of Japanese civilization and are reinforced by geographic proximity.¹ This conviction leads the Japanese people to believe that they understand China better than others—and especially, they insist, better than Americans. Thus, Prime Minister Ikeda recently emphasized that Japan senses what is going on in Communist China "not through cables, but through the skin."

The economic factor has unquestionably

buttressed this notion of Japan's special relationship to China, for ever since emerging into world affairs, resource-poor Japan has viewed the Chinese continent as a natural supplier of raw materials for its industries and as an enormous potential market for Japanese products.

The immense destruction wrought by Japanese invasions and occupation of Chinese territory during the 1930's and 1940's has added feelings of guilt and remorse to the traditional Japanese view of China. Further, the Chinese Nationalists' generous treatment of Japan's surrendering armies after the war and Chiang Kai-shek's subsequent decision to renounce on behalf of China all reparation claims against Japan have produced among the Japanese much good will toward China which has also benefited the Chinese Communists.

As a result and because the Japanese do not feel threatened by Peking, the majority of the Japanese people incline to the view that a fat Chinese Communist is less dangerous than a slim one and that it is in the interest of the world to speed up Communist China's evolution from belligerency to coexistence by allowing Japan to have "some kind" of economic relations with Peking.

¹ This interpretation of Matsumura's use of the term is also confirmed by his article in the *Japan Quarterly* of January-March, 1964, and by a personal letter to the writer.

It is not surprising, then, that although the American is likely to see in Communist China primarily a nation which has lost its identity under ruthless Communist rule, the Japanese stresses the "unchanging nature" of the country, whatever the regime, for he views China against a background of nearly two thousand years of historical contacts.

Japan's impressive postwar economic growth has not been accompanied by a commensurately increased weight in world affairs. Japan has been content in the postwar period to play a rather passive role on the international scene and has most carefully avoided to take a stand on issues that might generate friction or conflict with other nations.

Nowhere has this been more clearly reflected than in Japan's relations with China, where Peking has taken the initiative and Tokyo has reacted with utmost caution. Japan's traumatic experience with the exercise of power provides only part of the explanation for its postwar behavior. In the case of Tokyo's China policy, it must be recognized that certain international and domestic factors have severely limited Japan's freedom of action and created a dilemma for the Japanese government that is best met by a cautious attitude.

Ever since the end of the war, an alignment with the United States has been the central feature of Japanese foreign policy. This alliance is reflected in military arrangements for Japan's security and it rests on a solid economic foundation: In recent years, Japan's commercial exchanges with the United States have accounted for some 30 per cent of its total foreign trade as against 4 per cent for trade with the Communist bloc. As long as United States—Chinese relations remain in their present state of mutual hostility, there exist obvious obstacles to any attempt to normalize relations between Tokyo and Peking. In considering any move that might suggest an economic, cultural, or political rapprochement with Communist China, the Japanese government must weigh the possible benefits against the anticipated reaction of its American ally.

Japan's freedom of action in dealing with

Peking is further restricted by its relations with the Republic of China on Taiwan. In 1952, the Japanese government concluded a peace treaty with Chiang Kai-shek relinquishing all claims to the former Japanese territories of Taiwan and the Pescadores. Japan thus recognized Chiang's regime as the legitimate government of China. Apart from the impact on relations with the United States that a withdrawal of diplomatic recognition would have, many Japanese acknowledge that they have now a moral obligation toward the Nationalists. There are also economic considerations for continued support of the Taiwan regime, because the Taiwan trade has proved remarkably stable and until now consistently larger than trade with Peking.

Domestic political constraints also dictate caution with respect to China policy. For more than a decade, conservative governments have succeeded one another in Tokyo. They have been confronted by an opposition (constituting about one-third of the electorate) made up for the most part of radical leftist, Marxist-inspired Socialists. These Socialists have always been very vulnerable to Chinese Communist overtures and have announced that "American imperialism is the common enemy of China and Japan." Perhaps this statement was made less out of inner conviction than out of a characteristically Japanese desire to please the audience abroad (the statement was made in Peking). At any rate, the Japanese Socialists have long advocated a policy that would recognize Peking as the sole representative of China and have co-operated closely with the Chinese Communists in undermining the United States—Japanese alliance.

Such opposition pressures would not normally be too serious for the firmly entrenched Liberal Democratic Party (L.D.P.). But public opinion irrespective of political affiliation views an absence of relations with mainland China as unnatural and almost without exception supports an expansion of trade with Peking. More important, the ruling party itself is divided on the best way of handling the China problem and tensions within the L.D.P. ranks can be intensified by opposition

campaigns for relations with Peking. Japanese government leaders therefore tend to move with the greatest caution in responding to pressures and counter-pressures that emanate from Peking, Taipeh and Washington.

Ever since the early 1950's, Japanese governments have sought to develop Japan's trade with both Taipeh and Peking while insisting that such trade has no political implications. At the same time, Tokyo has acted in such a way as to be ready to implement a two-China policy should such a solution become internationally feasible. In this way, successive Japanese governments have sought to reconcile Japan's alignment with the United States, which opposes any contacts with the Chinese Communist regime, with domestic pressures for closer relations with Peking.

CHINESE TACTICS

Relations between Japan and Communist China have passed through several phases characterized by changing Chinese tactics. These tactics have generally been in line with Peking's overall international strategy, but they have also reflected Peking's changing assessment of the balance of forces and of opportunities in Japan.

Until the spring of 1952, the Peking regime pursued a policy of extreme militancy toward Japan. This period coincided with Chinese encouragement of extremist Communist action in Japan which was then still under United States military occupation; with the hard line policy of the Sino-Soviet bloc in world affairs; with the conclusion of the Sino-Soviet military alliance (February, 1950) specifically directed against Japan; and with the Korean War.

When Japan regained its independence in April, 1952, Peking adopted a softer line. This new approach reflected a shift in international Communist strategy and Chinese expectation of opportunities flowing from Japan's new status. The years from 1952 to 1957 were, as a result, free from serious crises between Tokyo and Peking: Communist China refrained from assuming an all-or-nothing attitude and did not insist on im-

mediate diplomatic recognition or on official dealings with the Japanese authorities in exchange for trade. Peking built its position in Japan through an intensive cultural offensive, through the repatriation of Japanese war prisoners, and, beginning with the signing of the first private barter trade agreement in July, 1952, through the development of commercial exchanges with Japanese businessmen. On the political front, also, the Chinese Communists broadened their contacts by paying more attention to the non-Communist elements, especially the Japanese Socialists.

During those years when the Bandung spirit was in full bloom, Peking made modest gains in Japan. Commercial exchanges between the two countries—transacted through private channels but with the tacit approval of the Japanese government—increased steadily. By 1956, the peak of Tokyo-Peking trade, these exchanges accounted for three per cent of total Japanese foreign trade. While this figure was relatively modest, it was sufficient to make certain Japanese business interests feel that they had an important stake in the China trade.

More striking was the effect of Peking's "people's diplomacy," which created a veritable "China boom" in Japan. Accurate figures are impossible to obtain, but all sources agree that at least 800 Japanese visited Communist China in 1955, some 1200 in the following year, and 1600 in 1957—all without benefit of diplomatic relations between the two countries. Such Japanese travelers included not only the usual leftwing elements, but also influential and respected figures like the President of Japan's Peers' College (the Imperial family's school) and the President of the Japan Science Council, as well as numerous other scholars, scientists, artists, writers and actors. Japanese authorities put considerable obstacles in the way of Chinese Communist visitors to Japan, but the few who visited Japan after 1954 were lionized by the intellectuals and kept the issue of Peking's diplomatic recognition on the agenda.

Despite these unquestioned successes, the Chinese Communists must have asked themselves whether this gradualistic approach

would give Peking within the foreseeable future sufficient leverage to re-orient Japanese policy away from Taiwan and from the United States. They must have been concerned about the slow progress of their Socialist allies. The political balance in Japan continued to favor the conservatives, who were eager enough to expand trade with Peking—and with Taipeh—but seemed unprepared to make any political concessions. It must also have come as a shock to the Chinese leaders that Moscow in the fall of 1956 resumed diplomatic relations with Tokyo without bothering to press Japan for recognition of Peking.

In retrospect, it is not surprising that Chinese policies toward Japan began to undergo a noticeable change in the summer of 1957. This shift in Chinese tactics was not unrelated to the evaporation of the Bandung spirit from Chinese foreign policies, but the exact timing may have been due to the unsympathetic behavior of Prime Minister Nobusuke Kishi, a right-wing conservative and known anti-Communist, who had affronted Peking by including Taiwan on an official trip.

During the second half of 1957, various difficulties arose in relations between Tokyo and Peking. These reached their climax in May, 1958, when Peking, under the pretext of a protest against the tearing down of a Chinese flag in Nagasaki by an anti-Communist Japanese, suddenly severed trade relations with Japan. Thereafter only a trickle of "consideration goods" (so called because they were to attest to Chinese consideration for Japanese small business) was allowed to reach Japan through the intermediary of leftwing Japanese trade unions.

After 1958, the Chinese Communists proceeded to mobilize all means at their disposal to force the "unfriendly" Kishi government

out of office and bring about a shift in Tokyo's China policy. They found, of course, strong support among the Japanese Communists and Socialists as well as among intellectuals. But well aware that it was necessary to bring pressure to bear on the Kishi government from within as well as from without, Peking sought to sow discord within the Liberal Democratic Party's ranks. Carefully selected conservative political leaders were offered invitations to visit Peking, which for a while had been closed to any but the most pronounced leftwing sympathizers.

The Kishi government eventually fell in the summer of 1960, not because of Chinese pressure, but over the formidable agitation aroused by the opposition to the revision of the United States-Japanese security pact. Kishi's successor, Hayato Ikeda, the present Prime Minister, turned out to be another conservative who displayed no intention of shifting Japan's policy.

Nevertheless, not long after Ikeda came to power, the Chinese Communists abruptly stopped their virulent propaganda campaign against the Japanese government. It soon became clear that in other respects also they had abandoned their hard line tactics. The formula that gradually evolved constituted a much broadened and more sophisticated version of Peking's earlier moderate tactics. These have since been applied intensively and on the whole successfully in deepening Communist China's economic, cultural, and political relations with Japan.

SINO-JAPANESE RELATIONSHIP

Commercial exchanges between the two countries are presently being conducted through two channels: the "friendly firms" and the "memorandum trade." The former refers to trade through business firms (generally small or dummies of large) which have been certified as "friendly" by Peking or by intermediaries such as the Japanese Communists, the Socialists, the Sōhyō labor unions and any number of other pro-Peking organizations. Obviously, this mechanism offers interesting possibilities for political exploitation by Peking² and tends to embarrass the Jap-

² For example, a substantial percentage of the several hundred "friendly firms" are concentrated in Fukuoka where they have banded together in a prefectural organization that has the official endorsement of the Socialist governor. To appreciate the significance it must be noted that the Fukuoka area is an economically depressed region, tends toward political radicalism, and is the site of the large Itazuke U. S. air base which has been a favorite target of Japanese demonstrations.

anese government, which has studiously sought to keep politics out of the trade with Communist nations.

Far more important in its political implications is the "memorandum trade" which in 1963 constituted about two-thirds of total Japanese commercial exchanges with China.³ This trade channel derives its name from the fact that it is based on a memorandum signed in Peking in November, 1962, by the prominent conservative ex-Minister (of Commerce and Industry) and businessman Takasaki Tatsunosuke and Liao Cheng-chih, a medium-to-upper level Communist official who specializes in Japanese affairs. The memorandum which represents the fifth "private" trade agreement between Japan and Communist China is a five-year barter arrangement that provides for an annual level of about \$100 million dollars of exchanges. China is to export mainly coal, iron ore, soy beans, salt and tin while Japan will send steel products, fertilizer, and agricultural machinery.

The term "private" has been enclosed in quotation marks because, as time goes on, business transactions between Tokyo and Peking are assuming an increasingly semi-official character. Not only was the co-signer of the trade agreement an important figure in the ruling party, his negotiations in Peking were previously cleared in Tokyo at the highest levels of government and were undertaken only after the political groundwork had been laid by ex-Minister and prominent L.D.P. leader Matsumura in conversations with Chou En-lai. Since then other conservative Diet members have visited Communist China to

examine the situation and to survey prospects for Japanese trade.

The Japanese government was drawn more directly into responsibility for trade with Peking when it granted (after much soul-searching and protests from Taipeh) permission for deferred payment (in other words for credit) in connection with the sale of entire industrial plants to China. The test case involved a \$20 million textile plant and occurred in mid-1963. Similar contracts were scheduled to follow. Arrangements were also made for facilitating clearance of payments between Tokyo and Peking. The opening of Chinese trade fairs in Tokyo and Osaka in the spring of this year should provide Peking with further opportunities to broaden commercial contacts in Japan and to raise a variety of issues that the Japanese government will be forced to handle more or less directly. Thus, the economic interests of Japan are being increasingly enmeshed in the China trade, the Japanese government is being drawn into dealings with Peking, and the line between private and official commercial exchanges is becoming more and more blurred.

If the Japanese government has not resisted this trend too strongly, it is apparently because it has concluded that it is now worthwhile and safe to respond to Peking's overtures. There is a growing conviction among the Japanese that China has already overcome its worst economic crisis and that, having almost repaid its debt to the Soviet Union, Peking might soon become a more important export market. On the other hand, United States sales of wheat to the Soviet Union and the China policy speech of Assistant Secretary of State Roger Hilsman, late in 1963, are interpreted by many Japanese as foreshadowing a relaxation of the United States containment policy. Japan feels thus encouraged to seek more actively an expansion of trade with the Communist countries. French President Charles de Gaulle's announcement of January 2, 1964, that France will recognize the Peking regime has given further strength to the growing conviction in Tokyo that now is the time to reappraise Japanese policies toward Peking.

³ For a number of reasons, statistics on Japanese trade with Communist China tend to show discrepancies. The following figures are the result of reconciling several sources and are therefore to be taken only as approximations. Value of trade shown is in million \$. Relative weight of trade within total Japanese foreign trade is indicated in % in (). For comparison, Japan's trade with the Republic of China (Taiwan) amounts to about \$170 million annually, with the Soviet Union to about \$300 million (in 1963) and Japanese trade with the U. S. has passed the \$3 billion mark.

1953: 34 (0.9)	1959: 23 (0.3)
1954: 60 (1.5)	1960: 24 (0.3)
1955: 109 (2.4)	1961: 48 (0.5)
1956: 151 (2.6)	1962: 85 (0.8)
1957: 141 (2.0)	1963: 130 (?)
1958: 105 (1.8)	1964: ca. 200 (estimate)

Meanwhile, Peking has established a Sino-Japanese Friendship Association which is energetically broadening the scale of China's "people's diplomacy" toward Japan. Despite the lack of formal diplomatic relations, an ever-increasing number of business, cultural and political leaders travel from Tokyo to Peking. The only ones who do not qualify for invitations from Peking are those conservatives who insist on supporting the cause of the Nationalists and those who are promoting a two-China policy. In October, 1963, alone—upon the occasion of the celebrations for China's National Foundation Day, which coincided with the opening of a Japanese industrial fair in Peking—about 1,000 Japanese were in the Chinese capital, easily outnumbering any other non-Communist (and probably also Communist) foreigners. For a number of reasons, including Japanese government restrictions, fewer Chinese travel to Japan.

This heavy Chinese emphasis on building economic and cultural relations with Japan does not mean that Peking has entirely abandoned the attempt to influence Japanese political developments through mass action. Thus, Peking continues to lend vocal support (and perhaps financial assistance) to any movement in Japan that is directed against "United States imperialism": demonstrations against United States air bases, the berthing of nuclear-propelled submarines, or the Japanese government's efforts to establish diplomatic relations with South Korea.

But it is clear that the Chinese Communists are careful not to provoke the Japanese government. They are urging the Japanese people to pursue a more "independent" foreign policy and they point to the need for Sino-Japanese cooperation against "United States imperialism," which Mao Tse-tung not long ago described to Japanese visitors as "the most ferocious enemy of the Japanese nation."⁴ Chinese strategy appears to have set its aim at isolating the United States by confronting it with a world-wide alliance of "Socialist" and capitalist nations. Seen from Peking, Japan fits into this scheme, as does

France. And the hope in Peking may well be that Japan will follow in the footsteps of de Gaulle, recognize the Chinese Communist regime, desert the American alliance, and embrace the concept of a "third world."

De Gaulle's decision to establish diplomatic relations with Peking and his inability to implement a two-China policy have destroyed Japanese hopes for a "one China, one Taiwan" solution and have damaged the prestige of the Chinese Nationalists. No doubt, those Japanese who have been urging the recognition of Peking as the sole representative of China have been encouraged by the French action. Domestic pressures for closer relations with Peking have as a result increased.

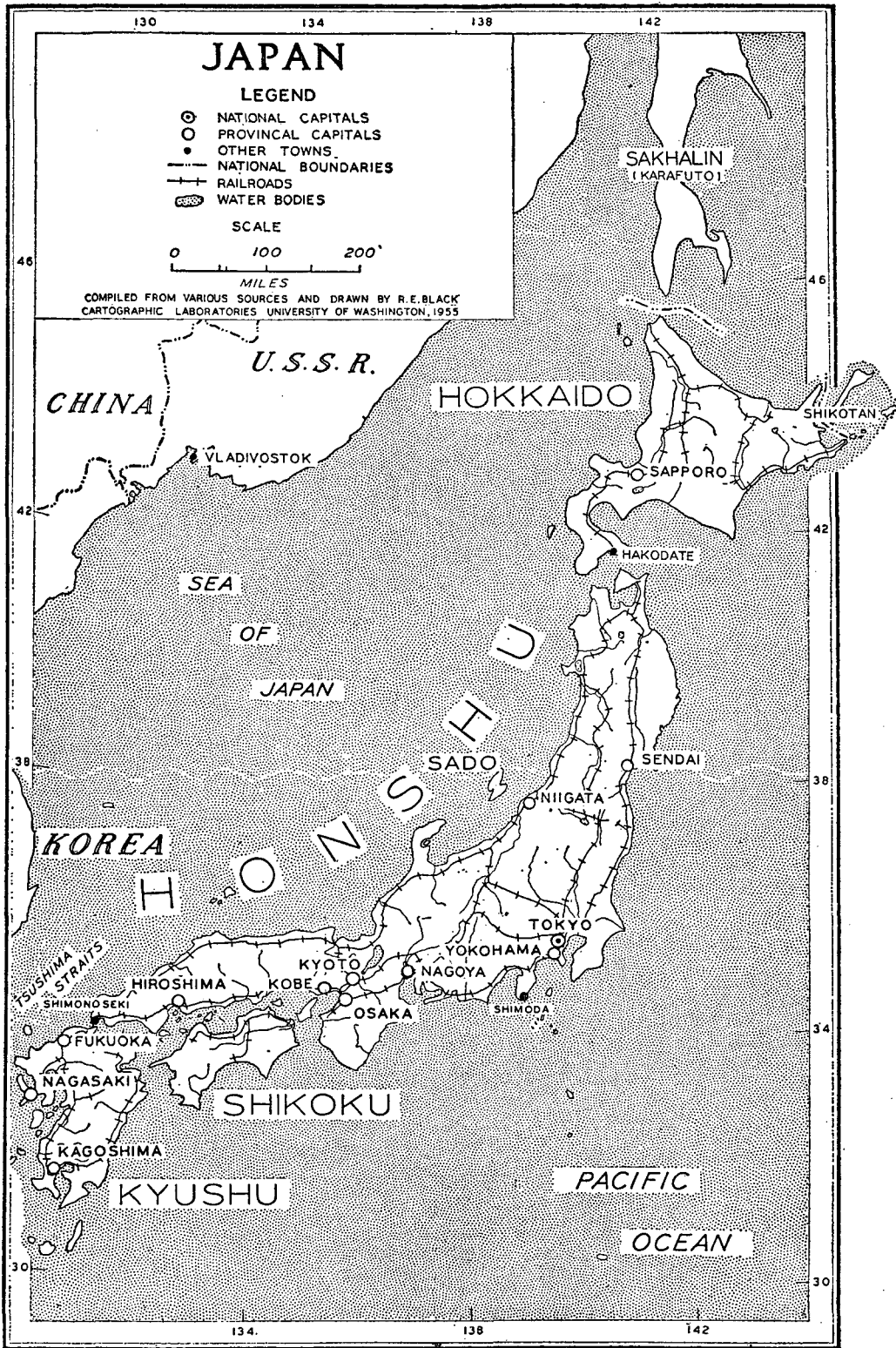
It is now conceivable that the Japanese government will feel free to promote more actively what it believes to be Japan's economic interest in the China trade and it may seek very gradually to broaden other areas of contact with Communist China. It might be prepared to exchange, for example, newsmen or perhaps trade missions, or propose that the two countries conclude technical agreements.

No doubt, Japan would also be likely to go along if the vast majority of the world's nations and of the allies of the United States should agree that the cause of peace would best be served by admitting Communist China to the United Nations. But it would be surprising if Japan should decide to move immediately in the direction of full recognition of the Peking regime.

(Continued on page 244)

Paul F. Langer was educated in Paris, Berlin, and Tokyo, and at Columbia University and has taught at several academic institutions. He has also served as consultant to numerous research and training organizations and has written extensively in this country, in Europe and in Japan on Far Eastern problems. Most recently, he has co-authored *Communist Strategies in Asia* (Praeger: New York, 1963) and is the author of the forthcoming volume on *Japan* in the Contemporary Civilization Series (Holt, Rinehart and Winston) edited by Vera Micheles Dean.

⁴ *Peking Review*, January 31, 1964.



Reprinted from *The Far East in the Modern World*, by Franz Michael and George Taylor, published by Holt, Rinehart & Winston, 1956; new edition to be issued June, 1964.

"For the past decade, Japan has been a military client of the United States, only gradually rebuilding its forces and relying heavily on our alliance for its major defense." Nonetheless, as this specialist sees it, Japan will soon attain the rank of a "middle power" and "by 1970, when the present Security Treaty has run its term, Japan will be on the threshold of a new independence."

Japan's Security Policy in Transition

By JAMES WILLIAM MORLEY

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ON JULY 18, 1962, the Japanese Cabinet adopted a five-year defense build-up plan, setting the armament goals which the Government hopes to attain by the end of 1966. The force goals are modest: a ground self-defense force of 180,000 men, a maritime self-defense force of 143,600 tons, and an air self-defense force of 1036 planes. The weapons planned are modern, but non-nuclear.

In addition to small arms and tanks, the ground forces are to be equipped with missiles, including Nike Ajax surface-to-air missiles to protect large urban complexes like Tokyo, Hawk surface-to-air missiles for use against low-flying threats to military installations, particularly in Hokkaido, and Honest John and Matador surface-to-surface missiles for tactical use against invading ground forces. The maritime forces will be equipped with helicopters and Neptune P2V patrol bombers as well as destroyers, guided missile craft carrying Tartar surface-to-air guided missiles, and medium-sized submarines. The air forces will be built around Lockheed F104-J supersonic Starfighters, equipped with Sidewinder air-to-air missiles. For defense against supersonic threats the BADGE electronic computer system is being introduced; it will coordinate semi-automatically the radar detection systems with fighter planes of missile units. For longer-range defense, training is being instituted for a Bomarc guided missile battalion.

There are those, especially in the United States, who decry the modesty of this plan. They point out that its annual cost will be less than 2 per cent of Japan's national income and less than 10 per cent of its national budget, as compared with the United States, for example, which usually spends more than 10 per cent of its national income and more than 50 per cent of its national budget on arms. These critics find it extraordinary that Japan, with the largest industrial production in Asia, the fifth largest population in the world, and a history of international ambition, should content itself with building armed forces which in many respects are inferior to the middle powers of western Europe, including Italy and Turkey, to say nothing of the great powers it fought only 20 years ago. What such critics forget is that the adequacy of a country's armed forces depends on the capabilities of the forces which may oppose it.

At first thought the massive armies of Communist China might seem particularly threatening; but the fact is, of course, that for offensive action overseas they would require equally massive air or naval transport, which the Chinese do not have and are unlikely to have in the immediate future. Even were the Chinese to succeed in exploding an atomic device, its use would be restricted until reliable delivery systems could be produced or secured. Relatively speaking therefore, Japan's modest defense forces are not so weak.

As for other Asian powers, although the two Koreas and the Republic of China on Taiwan have large ground forces and formidable fighter plane strength, they, too, lack the strength to penetrate the defenses which Japan is now building. Japan's forces are adequate to protect its home islands and its Asian lanes of commerce against all foreseeable threats in the immediate future except one: the Soviet Union.

ALLIANCE WITH THE UNITED STATES

The U.S.S.R. clearly has the supersonic bombers, the missiles, the submarines, and the nuclear warheads which could almost literally blow the Japanese people off the face of the globe. Like every other nation in the world, Japan has not felt able or inclined to try to cope alone with this problem. Its own military forces, at least by 1966, could possibly hold off a conventional Soviet assault for a month or so, but probably could not hold out much longer; and certainly, if the Soviet Union used nuclear weapons, there is nothing in Japan's arsenal capable of deterring them, and no possibility in Japan's narrow islands for a defense by dispersal.

In short, the military problems presented by defense against the Soviet Union are so great that Japan has so far seen no way to solve them except by seeking the protection of the United States. It therefore signed the Security Treaty of 1960, which provides that the United States will defend Japan and that Japan, in turn, will provide us with the facilities to make this possible. At present there are about 45,000 American fighting men stationed in Japan, the bulk of them serving in air and naval units; none serve in ground combat units. They work intimately with Japan's own forces as well as with other units of the United States Pacific Unified Command. Other more powerful United States units are in Okinawa, which is Japanese in sovereignty but under the sole administration of the United States.

Obviously units of this size are of limited utility in deterring or responding to massive attack. Current United States strategic conceptions call for a forward, mobile defense in

the Pacific area, one which can respond quickly and effectively to an enemy probe anywhere but would not be of such a character in itself to escalate the hostilities into an increasingly graver involvement. The mission of the United States forces in Japan, therefore, is to help train Japanese forces, observe potential enemy activities, and be instantly prepared, together with Japanese forces, to close with an enemy should one attack.

A conventional attack can be met with a conventional defense. The allied Japanese-American in-country units are relied on to hold as much of the land, sea, and air as possible until reinforcements can be brought up from local reserves in other forward areas like Okinawa or the Seventh Fleet, from theater headquarters in Hawaii, or, if needed, from the United States Strike Command in the continental United States. Beyond this, America's nuclear arsenal and varied delivery systems are instantly available either to deter a nuclear attack or, should this fail, to respond with a nuclear counter-thrust of its own—not from Japan of course, since Japan has forbidden nuclear weapons to be brought on its soil, but presumably from Okinawa and other launching facilities around the world and in the United States.

ADVANTAGES OF THIS DUAL SYSTEM

This dual defense system of Japanese and United States power has effectively guaranteed Japanese security since 1950. It has also had other highly beneficial effects. By securing annual United States economic support for its own limited rearmament under the Mutual Security agreement of 1954 and relying on the alliance with the United States for defense against the U.S.S.R., Japan has been relieved of that extraordinary burden of armaments that has weighted down the national budget of every other highly industrialized country. Moreover, the confidence in Japan which this alliance has engendered in the United States has facilitated the expansion of United States trade and financial relations with it. These two effects, together with other favorable circumstances, have

made possible not only the recovery of Japan's prewar and wartime economic position, but also its further expansion at a rate unparalleled in the world. Another effect has been the introduction of advanced American science and technology, in the immediate instance for military purposes and in general for economic and cultural development.

Still another effect has been to reduce the political instability which resulted from the shock of defeat and occupation. This healthy development is in part a by-product of rising prosperity. It is also the direct result of the fact that the dual defense system has enabled Japan to provide for its security with a minimum effort on its own part. Controversial though this effort and the alliance have been in Japan, they have not thrown the government into a prolonged crisis such as would certainly have developed had the conservatives, in the absence of such a treaty, felt compelled to champion an immediate massive rearmament effort. Had this happened, it would unquestionably have provoked a frantic and possibly violent attack from the forces of the left, who might well have had enough popular support on the issue to topple the government and propel Japan into a prolonged left-right crisis. Regardless of whether Japan emerged from such a crisis determined to rearm on a vast scale or to pursue a course of disarmed neutrality or alignment with the Communist bloc, its new course would certainly have created great apprehension throughout the free world, and would have subjected Japan itself to an economic, political and cultural shock akin to a second occupation.

This dual system has also been immensely advantageous for the United States. The alliance in particular has been a major instrument for drawing Japan into a cooperative relationship with the United States, thus depriving our potential enemies of Japan's immense assets, enriching our own lives economically and culturally, and strengthening our international posture politically. By providing bases from which the United States acts militarily throughout northeast Asia, it also has enabled us to contain Communist

power in that region and, by so doing, to contribute to the world balance between the Communist and non-Communist areas upon which major peace depends.

DRAWBACKS OF THE SYSTEM

This is not to say that the Japanese have been entirely content with this resolution of their security problem. The Socialist opposition has fought it all the way. Socialists have insisted and still insist that Japan's best hope for security lies in a policy of disarmed neutrality, presuming equally cordial relationships with all powers in the world, Communist as well as non-Communist. They rest their argument legally on Article IX of the Japanese Constitution, which prohibits Japan from maintaining "war potential"; historically on Japan's prewar experience that arms were no guarantee of peace; economically on their preference to devote more of Japan's resources to welfare; ideologically on their conviction that capitalist America is inherently imperialist; and emotionally on their desire for peace. One or more of these reasons have appealed to a large minority of the population and no doubt account in part for the strength of the Socialists at the polls.

In foreign relations, the Socialists have repeatedly argued that this dual security policy has tied Japan to United States apron strings, so that it is not only unable to pursue a policy of its own, but may even be drawn into a war against its will. Many conservatives agree with this argument, the faction leaders out of power repeatedly decrying what they call the government's lack of independence in its policies toward Communist China, the Soviet Union, and other members of the Soviet bloc. In short, the present security arrangements are considered by many to be an offense to Japanese nationalism and to limit Japan's international freedom of action.

Considered objectively, it would seem to be indisputable that Japan's foreign, political, economic and cultural policies have been heavily influenced by its security arrangements. The defensive nature of Japanese arms has made them unsuited for asserting Japanese influence overseas. Accordingly

Japan has been prevented from pursuing the revisionist strategy it might otherwise have preferred. The Soviets cannot be scared into leaving the northern islands Japan still claims; the Koreans cannot be frightened into giving up the Rhee line of fishery control in the Japan Sea; the Americans cannot be persuaded to return Okinawa; and the Communist Chinese cannot be intimidated into giving up their political demands. In short, Japan's diplomatic overtures lack punch.

ECONOMICS AND TECHNOLOGY

The serious question for the future is, how much longer will Japan be willing to follow this cautious policy? Will conditions now present or likely to develop over the next decade lead Japan either to change the mix in its dual defense system (placing greater reliance on its own forces and less on those of the United States) or to break away from the alliance altogether? In short, is Japan likely to try to go it alone?

The answer depends in part on physical possibilities, in part on international politics, and in part on Japanese attitudes. The physical problems embrace economics and technology. Until now, the United States has shouldered a significant share of the cost of Japan's defense, partly in the form of arms for the self-defense forces and partly in the form of American arms and men stationed at Japanese bases. If Japan alone were to provide such forces a defense outlay many times the current outlay would be required. Any sudden shift of resources for such purposes would seriously disrupt the economy and would certainly be avoided, but a gradual shift in time is clearly possible. If Japan is successful in doubling its per capita income by 1970 as planned, even if it allocates no greater percentage of its income to defense, the amount can at least be doubled. If it chooses to allocate a larger percentage as the economy grows stronger, the amount could easily be trebled or quadrupled.

Consequently, continued economic growth would seem to make possible a gradual, but significant and continuing expansion of expenditures for defense. This would not en-

able Japan within the next ten years to build forces capable of rivaling the Soviet Union or the United States, but it would permit Japan to support the creation of forces equal to the middle powers of western Europe, or, to put it another way, forces able not only to defend Japan against conventional attack but also to back up Japan's diplomacy in the Far Eastern area.

Such a program would require the support of the United States at least for the first five years. Japan simply does not yet have the technology or industrial facilities to produce the modern weapons of war independently. Japan's large wartime defense industry was completely dismantled in 1945 in accord with the requirements of the Potsdam Declaration. It began to revive in a small way in the early 1950's, producing rifle ammunition and repairing military vehicles and airplanes for United States forces then engaged in the Korean War. Its recovery has been slow, partly as a result of the relatively small purchases of Japan's Defense Agency and partly as a result of the relatively small investment that agency has made in the fields of military research and development. Today, under its second five-year defense build-up plan (1961-1966), Japan has now in production, or soon will have, the 106 m. recoilless rifle, machine guns, tanks, large-type snow vehicles, anti-tank rockets, medium-sized submarines, guided missile ships, trainers, P2V7 patrol planes, and, most recently, supersonic F104-J fighter planes.

On the other hand, its military aircraft production is dependent on the technology of the United States companies which developed the aircraft and currently share that knowledge under contract. Japan has so far produced only two planes of its own: the T1A jet medium trainer in 1960 and the YS-11, a twin-engined turboprop passenger plane, in 1962. Although the J3 is under development, it still has need for a satisfactory jet engine. As for missiles, the very heart of modern weaponry, dependence on the United States is complete. The Fuji group of defense industries has developed an air-to-air rocket, and civilian researchers have been perfecting

a small space-probe rocket. But research on other rockets lags and the electronic problems in devising reliable guidance systems have not yet been solved.

As a result, the missiles which are called for in the current five-year plan are to come from the United States. As a matter of law and policy, nuclear weapons are excluded from Japan's arsenal and current planning. Test reactors are in operation for peaceful purposes and a nuclear-powered ship is being built, so that the relevant technology is being acquired, but so far there has been no effort to take up the problems of applying this knowledge to military use.

Therefore, in the technology of modern weapons, Japan is in a preparatory stage. By 1966, when the current plan ends, Japan should have built several effective models and begun to put them into production, but it will hardly be prepared to produce on its own the full range of planes, engines, and missiles its defense will require. For this technology it will continue to be dependent on the United States or another advanced power, at least until 1970. Beyond that it is difficult to say, for Japan's problem is not simply to catch up with the technology now current in the United States and the Soviet Union, but to acquire the ability to continue to perfect it, so that it can keep up with their continued advancement.

INTERNATIONAL POLITICS

The future course of Japanese security policy depends, secondly, on developments in international politics. Significant changes in the military capabilities of the powers could have a profound effect. In general any change in the balance of forces in the world adverse to Japan's immediate interests or to the United States, with which it is allied, would increase Japan's security problem and force it to consider how best to make up the difference. Attention has been called recently to the possibility of the Communist Chinese acquisition of the atomic bomb. As explained above, China would need also to secure the requisite delivery systems to make such a weapon effective: missiles, supersonic bomb-

ers, or speedy naval forces. China will probably not secure these in the near future unless the present trend of Sino-Soviet relations is reversed, for it cannot now produce them.

Nevertheless, evidence that mainland China was acquiring this capacity would certainly produce another political crisis in Japan between the neutralist-disarmament forces and the alignment-armament forces. The same effect would likewise be produced, one may surmise, if North Korea were given nuclear weapons, if Taiwan were to be relinquished to the Communists, or if the United States were to withdraw or diminish its forces in the area without demonstrating convincingly that its capability was not being reduced. In these events, Japan's military problems would be increased, tending to force it to consider a broader rearmament effort and a neutralist posture.

If, on the other hand, the opposite situation should develop, with the world or regional balance of forces shifting in Japan's favor, as, for example, if a ban on nuclear weapons or a plan for general disarmament were to be agreed on, Japan's relative military position would improve. Or suppose that Communist China were to suffer from continuing setbacks, so that, relative to Japan, its strength were to decline; or that Communist China were to agree to a two-China policy, thus relieving the tension in the Taiwan Straits; or that a resolution of the Korean conflict were to be achieved which would permit a reduction in the military forces there and an easing of relations with Japan—in such circumstances it may be supposed that the military pressure for Japanese rearmament might decline, the inclination for Japan to align itself with the United States might weaken, and conceivably the inclination to a more positive policy might grow, particularly in its own immediate environment.

Which one of the many alternatives Japan might take in the face of such changes in its international position would depend not only on the capabilities of the powers but also on their intentions. A convincing softening of the foreign policies of the Soviet Union or Communist China, for example, would prob-

ably incline Japan to relax its rearmament and alignment policies, just as would a relative decline in their military power, while a significant hardening of their world outlook would probably incline Japan to harden its own response.

JAPANESE ATTITUDES

In the final analysis, of course, Japan's response to these and other relevant developments will depend primarily on the evolution of the attitudes of the Japanese people. These may in part be analyzed in terms of political party support. As has been pointed out, the Socialists have stood firmly for neutrality in the East-West cold war, a minimum of arms for very restricted security purposes, a policy of diplomatic, economic, and cultural relations with Communist as well as non-Communist powers, withdrawal of recognition from the Republic of China on Taiwan, and an end to the negotiations for establishing normal relations with the government of South Korea. Following their defeat in 1949, they have been slowly but steadily attracting public support. In the last general election, in 1963, they won 29 per cent of the vote; if they continue to grow in the future as in the past and can bring the Democratic Socialists into the fold, they will be able to take over the government by 1970. Such an event might well bring with it a completely new security policy in line with the one currently being advocated by the Socialist party.

This expectation must be tempered, however, by at least two considerations. One is the possibility that the Socialists may not be able to grow in the future as they have in the past. Much will depend on the ability of the conservative government to guarantee Japan's economic growth at roughly the same rate as at present; on the occurrence or lack of significant foreign crises affecting the balance of power; and on its skill in handling such issues as rearmament, education, constitutional reform, and relations with Communist China. Much also will depend on the political ability of the Socialists to build a winning factional coalition. The other qualification is that even if the Socialists do take over, there is no

certainty that they will try to carry out the policies they now advocate.

Over the past ten years public attitudes toward Japan's security have gradually changed. In 1950, very few Japanese favored a revival of Japan's armed forces. Today most Japanese have come to accept the forces that have been built as well as the alliance with the United States. There has thus been a significant change. If this trend continues, by 1970 the attitude in Japan towards rearmament may be more positive, possibly causing the Socialists to change their policy on this issue, either from inner conviction or from considerations of practical politics. Furthermore, it is the common experience of political parties in democracies that the slogans which seem so attractive in opposition are not always sound guides to action once power has been secured. After all, the Socialists will have to face the same facts and the same national responsibilities as the conservatives. This line of thinking becomes particularly persuasive when one realizes that the Socialists have called most loudly for an independent policy, for a specifically Japanese policy. It would seem difficult to shake loose the tiger of nationalism now that they have him by the tail.

On the other hand, if the conservatives manage to retain power to 1970 or beyond, the policy of rearmament seems fixed. The questions will of course be those of speed and scale.

ALIGNMENT

Rearmament is of course only one element in Japan's security policy. The other is alignment. Attitudes toward alignment also may be expected to change, partly as rearmament attitudes change and partly independently. The feelings of uncertainty, inferiority and withdrawal, which sapped the morale of the Japanese people in the years of defeat and occupation, are now giving way to a rising spirit of confidence, equality and participation. There is a renewed pride in being Japanese and a renewed concern to identify what this means and how it should be expressed. It is in part this reviving nationalism to which the

Socialists have appealed in the guise of neutrality and the call for independence.

As the years go by, it will be increasingly difficult to deny its insistent demands. Increasingly, the Japanese people may be expected to demand that their country play a greater, more independent role in the world. This sentiment would seem to support increased rearmament. In addition, it would seem likely to erode the policy of military alliance with the United States. How practical it would be to give vent to that sentiment will depend on many of the other factors we have discussed. In addition, it will depend on the attitudes and action of the United States.

DECISIONS FOR THE UNITED STATES

In the past, the United States pressed hard for Japanese rearmament, often inducing the Japanese government to go faster than it preferred in order to secure proffered American aid. It has refused to consider relaxing its absolute military control of Okinawa. It has pressed hard for the continuation of the alliance permitting American troops to remain based in Japan; and it has not always been careful to avoid Japanese sensibilities about the equipment and movement of its forces in the region. In recent years it has been reducing its military aid, so that one can foresee the likelihood of its early termination; it has also been reducing the number of its forces based in Japan.

The hard questions we are going to have to ask ourselves in the future are four. One is the military question: How far can we withdraw without damaging the capability and credibility of our military strength and concern in the region? The second is the diplomatic question: What kind of policy can we pursue toward the Soviet Union, the two Koreas, and the two Chinas, in particular, which will continue to make it useful to a more active, stronger, and more independent Japan to cooperate with us? The third is the economic question: How can we resolve our balance of payments problem in such a way as not to deprive Japan of an expanding market in the United States, upon which its

present international economic orientation depends?

And, finally, there is the cultural question: How can we broaden the flow of scientific, technological, and Western culture to Japan to stimulate broader understanding and Japan's own cultural development without at the same time affronting its rising national spirit?

A NEW INDEPENDENCE

The answers we find to these questions are going to be important, for they will affect vitally the security of Japan and the attitude it takes toward us. For the past decade, Japan has been a military client of the United States, only gradually rebuilding its forces and relying heavily on our alliance for its major defense. By 1961, its economy, its technology, and its self-confidence were strong enough for it to launch a five-year defense build-up plan of modest proportions, designed to carry it through the first stage of a period of transition to self-reliance. At least another period of five years will be needed beyond that before Japan can attain, on its own, the ranks of the middle powers; but by 1970, when the present Security Treaty has run its term, Japan will be on the threshold of a new independence.

How Japan uses that independence will be a matter of great moment to Japan, to its Far Eastern neighbors, and to all the world, including particularly the United States. It is important for us to realize therefore that the actions we take today are of more than immediate significance. They are also shaping the course of things to come.

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Summarizing Japan's trading problems, this author concludes that because "Japan has recognized and accepted the inevitability of increased competition both at home and abroad for her products and has prepared to meet this competition by mergers and modernization of her production facilities," it is most likely that the nation's trading patterns will change.

Japan's Position in World Trade

By VIRGINIA GALBRAITH

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MORE THAN ANY OTHER country, Japan's foreign trade reflects the changes in the international economy since the end of the Second World War. The Japanese economy has been altered by an industrial revolution that has extended to the international marketplace. Modifications in its trade position are taking place, moreover, despite formidable barriers and discriminatory treatment by the Western world. Indeed, the popular press does not exaggerate in describing these developments as "The Japanese Miracle."

Japan has led the postwar world in the growth of external trade. From 1952 to 1962, Japan's exports grew at an annual rate of over 15 per cent and imports at more than 13 per cent. During the same period, only West Germany approached this extraordinary development. As a result, Japan has virtually re-established its relative prewar position in world trade.

Changes in the kinds of Japanese exports and imports have been as dramatic as changes in their volume. Diversified high quality products have replaced cheap exports. Today textile exports account for a much smaller percentage of total exports than during the prewar period and cotton textiles have expanded less than higher grade textile exports. Before the war, for example, all textiles accounted for roughly 48 per cent of Japan's total exports, and remained essentially un-

changed through 1951. In 1951, cotton textiles dominated the composition of total textile exports as they had in the prewar years, but ten years later these low-valued products had expanded in trade by only 16 per cent while silk fabrics had doubled in volume and tripled in value. Spun rayon and woollen fabrics increased in trade by five and six times respectively. Even cotton fabric exports were higher quality items, increasing 28 per cent in volume but doubling in value. By 1962, however, textile products had fallen to 27 per cent of Japan's exports.

The decline in dependency on textile exports—particularly cheap cotton textiles—was accompanied by a remarkable expansion in exports ranging from products of heavy industry to new light manufactures. Increased investment and innovation in the Japanese economy are responsible for the changed export composition. The new export composition is recorded by Japan's Economic Planning Agency, which lists 24 new export items between 1951 and 1961. These export items amounted to only \$15.5 million in 1951, but by 1961 had soared to \$536 million or 13 per cent of Japan's total exports. In 1960-1961 alone twelve new items of exports became significant, among them transistors, vacuum tubes, tape recorders and stereophonic equipment. Japanese exports of transistor radios, developed through licenses from United States firms, increased from \$200 thousand in 1953

to \$151 million in 1961. Such products as tape recorders and television sets are growing even faster as Japanese exports.

The shift to "heavier" industrial products accelerated in 1962. Thus, three classes (metals and metal products, machinery and transport equipment, and chemicals) constituted one-half of the 1962 rise of exports. As a result of these changes in Japan's exports, there has been a shift in its geographical pattern of trade.

Before the war nearly two-thirds of Japanese exports went to Asia. Korea and Taiwan (as captive markets) took about 25 per cent of these exports and mainland China, another 18 per cent. The United States received about 16 per cent of Japanese exports and Europe only about 8 per cent. By 1961, however, exports to Asia were reduced to 37 per cent of Japan's total; Korea and Taiwan approximately 5 per cent, and mainland China almost nothing. By contrast, the United States purchased 25 per cent of Japan's exports, which rose to 28.5 per cent in 1962, while Europe's share increased to 14 per cent. Exports to Latin America and Africa have also increased to 15 per cent. These shifts reflect not only different Japanese exports, but also the slow growth of effective demand in Asia and the rapidly expanding markets of the industrial nations. As a result, Japan has become increasingly dependent on high-income markets for her products.

PATTERN OF IMPORTS

Japan's import pattern shows two dominant features. First, Japan's recent industrial expansion was almost totally dependent on imported raw materials. Second, the Japanese government determined the volume and nature of imports by exchange controls and import licenses. Raw material imports were favored along with limited machinery and severe restriction of non-food consumers' goods. At the same time, Japan's terms of trade improved considerably after 1952.¹ Japanese imports expanded less rapidly than

exports, and imports from Asian countries dropped from 27 per cent to 21 per cent of Japan's total imports during this period.

Possibly the most interesting feature of Japan's changed import composition was its growing self-sufficiency in rice during this period. Rice imports, second only to raw cotton imports, fell from a high of \$251 million in 1954 to only \$16.6 million in 1961. This decline in food imports, produced by government subsidies to domestic agriculture, severely curtailed the market for Burma, Thailand, and Taiwan rice. In 1962, Japanese imports fell by an additional 3 per cent due to declines in raw material imports as a result of a retrenchment program by the government which will continue in 1964.

These imposing changes in Japan's external trade occurred despite formidable barriers and discrimination against her products by other industrial nations. The cotton textile industry has been the fulcrum around which the changing pattern of Japanese trade developed.

First, postwar changes in world demand and supply combined to disrupt seriously the cotton textile industry. Per capita consumption of cotton textiles expanded very little, primarily because of the competition of synthetic fibers. Consumption of synthetics increased not only because of changing taste, but also as a result of the narrowing price differential between the two commodities. Cotton's share of total fiber consumption has dropped steadily in recent years, from 69 per cent in 1959 to 65 per cent in 1962. Although trade in all textile products expanded 25 per cent in this period, cotton textiles lagged. 1962 world cotton textile exports represented 38 per cent of total textile exports compared to 41 per cent in 1960. Japan's share of cotton textile exports was 16 per cent in 1962—exactly the same as in 1959.

Second, world cotton textile capacity has expanded as a result of emerging industry in the underdeveloped nations. During 1959-1962, cotton textile capacity decreased in North America, the United Kingdom and Japan, but in the less developed countries added production facilities resulted in a net

¹ Japan's import price index fell from 100 in 1952 to 75 in 1961, while the export price index fell only to 88, thus making it possible to obtain more imports for less exports.

addition to world capacity.² The resulting imbalance of supply and demand threatened price levels and profits in a number of countries, such as the United States and the United Kingdom, and led to international discussions.

THE COTTON TEXTILE ARRANGEMENT

Conferences between the United States and Japan in 1956 led to the adoption of a "voluntary" export quota by Japan, which resulted in lower exports to the United States in 1957. American buyers responded by shifting their purchases of cotton textiles to Hong Kong and a few developing countries. But by 1961 the United States was forced by pained outcries of domestic producers to stem this new inflow and it negotiated additional one-year "voluntary" quotas with other countries. Meanwhile, the United Kingdom followed its traditional policy and allowed unrestricted textile imports from Hong Kong, Pakistan, and India. By 1960, these imports constituted nearly one-third of the United Kingdom's domestic production.³ These "market disruptions" resulted in the negotiation, under the auspices of G.A.T.T. (the General Agreement on Tariffs and Trade), of the Long-Term Arrangement for Cotton Textiles which took effect October 1, 1962.

Twenty-four countries signed the Arrangement and represented nearly 55 per cent of cotton yarn production, almost 70 per cent of cotton fabrics, and roughly three-quarters of world exports of cotton textiles. Under the Arrangement, the exporting country whose products are contributing to "market disruption"

in the importing country can be invited to restrain its exports. If the exporting country is unwilling or unable to do so, the importing country has the right to set quotas on the product responsible for the disruption. The decision as to when "competition" changes to "market disruption" is left to the discretion of the importing country—a point to which Japan strongly objected. The Arrangement further provides that the quota level may not be lower than the actual trade of the first 12 of the 15 months prior to the time at which the importing country seeks consultation with the exporting country. If the quota remains in effect beyond two years, the level of the quota must rise by at least 5 per cent a year.

It is ironic that the Cotton Textile Arrangement has the blessing of the G.A.T.T.—despite Article XI prohibiting all quantitative restrictions on imports and despite the commitment of 44 nations to the rules of G.A.T.T. Eric W. White, Executive Secretary of G.A.T.T., explains this apparent contradiction as follows:

This seems to be a sensible and constructive way to go about it. . . . The G.A.T.T. is seeking understanding and agreement instead of standing aside to see the present difficulties lead—as they would inevitably otherwise do—to unilateral action, discrimination, retaliation and, in fact, economic warfare.⁴

The hope, according to White, is that European countries will be induced to remove their illegal restrictions and open their markets to Japan and the developing countries, and that the safeguards of the Arrangement against "market disruption" will promote an orderly growth in trade. Japan, while not optimistic on either score, fears above all that the Arrangement will set a precedent for quota agreements on other Japanese products. Both Japan and the G.A.T.T. Secretariat, therefore, hope to keep the Arrangement a specific exception to G.A.T.T.'s rules and to terminate it as quickly as possible.

COMMON MARKET RESTRICTIONS

But cotton textiles are not the only Japanese product subject to quota restrictions and dis-

² It should be noted that between 1959 and 1962, the industrial countries, excluding Japan, increased their share of cotton textile exports while the share of exports of the less developed countries fell. Japan's share remained the same at 16%.

³ By G.A.T.T. estimates, imports into the U.S. in 1960 were about 6% of domestic production, of which some 4.5% came from "low-cost countries." Continental Europe, in disregard of Article XI of G.A.T.T., maintained severe quotas against imports of textiles and did not share in the "market disruption." These figures would indicate that the United Kingdom was the residual market and bore the brunt of the textile over-supply.

⁴ White, Eric Wyndham, "The Textile Industry and International Trade," Address at the 108th Annual meeting of the Northern Textile Association, Portsmouth, New Hampshire, Sept. 20, 1962.

crimination. A number of continental European countries have refused to accept commitments under the G.A.T.T. to Japan and have devised innumerable barriers to Japanese products. The six countries of the European Economic Community are among the most restrictive. Import licenses are imposed and quotas are maintained on a wide range of Japanese products. France, for example, restricts the import of 84 items of Japanese goods; the Benelux countries, 38 items; Italy, 92 items, and West Germany, 28.

The Common Market is establishing a uniform policy for trade with Japan. But since "uniform policy" has come to mean "compromise on the protective side" in the Common Market, Japanese trade experts fear the uniform trade policy. They feel that a compromise on quota items ranging from 84-92 to 28-38 will mean smaller quotas in Benelux and West German markets and insufficiently enlarged quotas in France and Italy to offset the loss. Understandably, Japan feels that these countries should accept their agreement under G.A.T.T. and refrain from quantitative restrictions.

On products not subject to quotas, the E.E.C. countries maintain a common tariff against Japanese imports. This tariff, although only 60 per cent harmonized as yet, is not high, averaging around 12 per cent. It would be a mistake, however, to conclude that Japanese products can be sold in European markets at their landed price plus the average twelve per cent tariff. Each of six Common Market countries retains its own tax system and by the use of indirect taxes is able to discriminate effectively against imports.

The complexity of the subject of taxes is so great that only the broad outlines can be indicated. Each member of the E.E.C. applies a turnover tax of varying form to all imports. Turnover taxes are limited by the G.A.T.T. and the Treaty of Rome, which provide that they may not exceed the corresponding level on the same domestic goods. Within that upper limit, however, manipulations of the rates of compensatory border taxes are not necessarily accompanied by changes in internal rates, thus allowing for discrimina-

tion against imports. Moreover, turnover taxes on imports are based on c.i.f. (cost, insurance and freight) values, including the tariff itself, and pyramid the tariff. Thus, when border taxes are imposed, the average level of charges on imported goods is much higher than the tariff rate indicates. In one instance, border taxes have increased the price of Japanese goods by 142 per cent, effectively limiting the market for the product.

The E.E.C. is currently attempting to harmonize the taxes of the six countries and, in particular, to bring West Germany's cascading turnover tax in line with France's value-added tax. Pessimists have noted that this tax "harmonization" of the Common Market can vitiate completely the effects of the expected G.A.T.T. 50 per cent equilinear tariff reduction. This problem is not solely the concern of Japan, since all countries outside the custom union are affected. But since both quotas and taxes discriminate against Japanese exports, Japan is eager to go beyond tariff talks in the G.A.T.T. negotiations.

To complete the picture, Japan's illiberal trade practices should be noted. Throughout the postwar years the Japanese government has controlled Japan's imports by a tight system of foreign exchange rationing. The primary objective of rationing, as noted above, was to utilize limited foreign exchange for necessary purchases of food and raw materials. Import of machinery was screened carefully before licensing and non-food consumer goods were severely restricted. In 1959-1960, however, import practices were liberalized, and, following Japan's admission to the G.A.T.T., steps were taken to comply with this organization's arrangements. As a result of measures in 1962, the liberalization percentage (1959 basis) was raised to 89 per cent and the number of tariff items and sub-items subject to restrictions was reduced by almost one half. The liberalization applied to imports from all sources and since 1962 a number of other products, such as textile fabrics of cotton, wool, and synthetics, have been added to the list.

In July, 1963, Japan was invited to join the O.E.C.D. (Organization for Economic

Cooperation and Development) and the Japanese government promptly removed exchange controls on 35 categories of goods. Furthermore, Japan has recognized and accepted the inevitability of increased competition both at home and abroad for her products and has prepared to meet this competition by mergers and modernization of her production facilities. Such actions will change Japan's import trade.

Raw materials are likely to decline relative to other imports as Japanese industry becomes more efficient and machinery imports are likely to grow with modernization and diversification of business.⁵ Consumer goods imports will more nearly reflect increased Japanese income as import restrictions are reduced. In short, Japan will become an increasingly enlarged market for foreign industrial products.

The future of Japan as a market for agricultural products is less clear. Japan, like every industrial nation of the world, subsidizes its agricultural sector. Price protection without adequate output controls has caused overproduction in certain commodities, such as rice. Food imports have therefore declined. But Japan's comparative disadvantage in producing food is great (even absurd in the case of sugar) and can only worsen as labor moves from farm to industry and agricultural wages rise. Moreover, Japanese food consumption will shift toward higher-valued items, such as meat and dairy products, as consumer incomes grow.⁶ Japanese agriculture is totally incapable of supplying these items on a competitive cost basis. Economic rationalism points to liberalized food imports, but the decision will be made, as elsewhere, on political grounds.

THE "KENNEDY ROUND"

This review of Japan's position in world trade indicates the great stake Japan has in the expansion of multilateral trade. The

"Kennedy Round" of G.A.T.T. negotiations to begin this spring will give Japan the opportunity to promote the expansion of trade, but it will also place her in somewhat of a dilemma. In the negotiations, Japan hopes to succeed in reducing restrictions and discrimination against her products, particularly by the countries of the E.E.C. In reciprocity, however, Japan must agree to tariff reductions, especially in heavy industry and chemicals. These reductions will seriously increase competition for Japanese firms, some of which are newly established, and there will undoubtedly be strong protests from them. Nevertheless, Japan has pledged support for across-the-board tariff cuts.

The "Kennedy Round," however, will not be devoted solely to tariffs on industrial goods as negotiations in the past have been. The Contracting Parties (44 nations) have agreed that restrictions on trade in agricultural products will be subject to negotiation. Pessimists expect little to come of these talks, while optimists point out that at least, for the first time, agriculture is admitted as a subject for discussion in G.A.T.T. meetings. Japan's problem is not significantly different from other industrial nations and most closely parallels that of West Germany.

Japan and West Germany support agricultural sectors at comparative disadvantage and both governments are dependent politically upon rural votes. Premier Hayato Ikeda and Chancellor Ludwig Erhard are aware that continued growth of their economies is dependent upon industrial investment and that expansion of free world markets is essential to this development. Comparative disadvantage

(Continued on page 243)

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⁵ These expected changes have occurred in 1962 and early 1963. Imports of raw materials fell as a share of total imports from 48% in 1961 to 42% in 1962. Imports of machinery rose by 28%.

⁶ In 1962 and early 1963, food purchases from abroad expanded, indicating that this shift is beginning to take place.

In discussing the impressive economic progress that Japan has made since World War II, this expert states that "growth, structural shifts, technological change, and automation are exerting heavy pressure upon long-established and tenacious labor market practices." "In the past," he continues, "Japanese industrialization has been chiefly held back by limited supplies of capital. However, the major bottleneck . . . today . . . may lie instead mainly in the inefficient flow of manpower."

Labor in a Prosperous Japan

By SOLOMON B. LEVINE

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JAPAN'S RECENT outburst of economic growth offers immense promise for the completion of its transformation from a hierarchical, compartmental society into a pluralistic, open democracy. Although this process began even in the years before the Meiji Restoration of 1868, paradoxically Japan's "modernization" had heavily "exploited," and therefore maintained, traditional social structures.¹ Any real hope for democracy awaited Japan's defeat after World War II. Then, abruptly, the Allied Occupation imposed wholesale political, economic, social, and educational reforms.

A decade of rapid economic expansion—creating a mass-consumption society and a highly diversified industrialization for the first time in Japan's history—has sharpened the confrontation between the old and the new and, given the longstanding Japanese reliance on tradition, serious doubts remain about the viability of the new Western-type democratic institutions. Indeed, if Japan's first "industrial revolution" depended on exploiting the traditional, final success for her second may well rest on assuring institutional flexibility

and individual freedom. But the change is likely to be painful.

Perhaps no better example of the confrontation may be found than on the industrial scene itself. As in other parts of Japanese society, the prewar industrial relations system had been geared to the established hierarchy. Although industrialization in the long run is likely to underwrite the emergence of a pluralistic society,² in the case of Japan this outcome has been long delayed. Japan's industrializing process to a large extent was based on ruthless human exploitation that brooked little worker protest or challenge to a dynastic élite leadership.³ One of the major Occupation reforms, therefore, attempted to build up labor's countervailing power. It encouraged organization of a self-dependent and widespread labor movement, and enacted a legal framework to protect labor's rights to unionize, bargain collectively, and strike. In fact, there was an enormous proliferation of labor unions, growing from nothing to a membership of almost seven million by 1949 (about half the organizable industrial workers at that time). Japan now boasts one of the largest organized labor movements in the Free World.

Nonetheless, the dent unionization has made on the established system of industrial relations in Japan seems shallow. The basic union organizations have been narrowly structured. Collective bargaining lacks vigor,

¹ For a useful analysis of this idea, see Ichiro Nakayama, *Industrialization of Japan* (Tokyo: The Centre for East Asian Cultural Studies, 1963).

² See Clark Kerr, *et al.*, *Industrialism and Industrial Man* (Cambridge: Harvard University Press, 1960).

³ For a concise history of prewar conditions, see Kazuo Okochi, *Labor in Modern Japan* (Tokyo: The Science Council of Japan, 1958).

threatened on one side by management domination and on the other by ideological and political preoccupation. Labor relations laws have been restricted. The substantive implementation of the reforms that appeared impossible as long as the Japanese economy—in part due to the destruction of the war—remained at low levels⁴ remains slow even now that the economy is on the upswing.

MASS CONSUMPTION SOCIETY

Japan's fiscal year ending March 31, 1963, registered a highly respectable 8.2 per cent increase of Gross National Product. This was about on par with the average annual advance of the previous ten years that had placed Japan at the top of the major nations in pace of economic expansion. Per capita income approached \$400 a year, close to the Italian level. By the early 1960's, Japanese national output had more than doubled since the end of the Allied Occupation in 1952. It was also double the highest prewar level. With population growth slowing, the jump in per capita income was almost as large. On the average, family consumption had risen more than 50 per cent. Despite a mere 16 per cent of Japanese territory usable for agriculture, food had become abundant. Rice production had expanded at least one-third and no longer needed to be imported. Manufacturing gained fourfold. Proliferation of service industries had added immeasurably to the efficiency of economic and commercial activity.

In addition to the growth *per se*, shifts in income distribution helped the consumption surge. By 1960, wage earners were receiving 55 per cent of all personal income—a steady rise from the 45 per cent level of the immediate postwar period and the 40 per cent level of the mid-1930's. Income in the form of rent, interest, and dividends, although recovered from abysmally low ratios in the first

years after the surrender, still remained less than half the proportion of the 1930's. Although the Japanese are among the thriftiest persons in the world, such a shift in income distribution has dramatically lifted living patterns.

Expectancy and buoyancy now permeate the nation. The common man of Japan chooses from a wide variety of goods, and his choice is far less subject than it once was to the dictates of superiors in family, work, and governmental organizations. After years of deprivation under military rule, war, and reconstruction, economic growth has unleashed huge demands for material consumption—aided especially by a flood of Western ideas about attainable living standards. Japan has indeed become a mass-consumption society.

Wherever one travels in Japan, mass consumption is evident. Nearly 70 per cent of the more than five million farm households possess their own television sets, almost comparable to the 90 per cent ownership rate in urban areas. At least 80 per cent of the farm households and close to 100 per cent of the city families have radios. Such a communications network further stimulates the consumption boom, of course. Virtually every one of Japan's 20 million homes is supplied with electricity. The ordinary housewife is surrounded with an array of appliances—rice cookers, sewing machines, cooling fans, washing machines, refrigerators, stoves, air conditioners. Western clothes and food have rapidly displaced traditional kimono and table fare. Today less than half of Japanese consumer purchases are for "indigenous" goods.⁵

This impressive rise in material living standards does not, however, disguise a number of deficiencies. Not all groups have shared equally in the consumption boom. Glaring differences continue between urban and rural regions. Within most areas, too, income differentials are marked. More than half a million families remain continually on government relief roles. Housing particularly has severely lagged, and transportation and other public facilities are usually jammed beyond capacity. The current ten-year "income-

⁴ An analysis of this period is found in my *Industrial Relations in Postwar Japan* (Urbana: University of Illinois Press, 1958).

⁵ Henry Rosovsky and Kazushi Ohkawa, "The Indigenous Components in the Modern Japanese Economy," *Economic Development and Cultural Change*, April, 1961.

doubling" plan of the Japanese government promises to eradicate the worst of these problems and to lift most Japanese to a "European" living standard. To do so will require a seemingly attainable average growth rate of about seven per cent in GNP for the remainder of the decade. But, at the same time, the structure of the Japanese economy must be further altered.

GROWING PRODUCTIVITY

Two major factors have fed Japan's economic upsurge—multiplication of production facilities and advances in labor productivity. Since the beginning of the 1950's Japanese industrial leaders have single-mindedly devoted attention to industrial expansion and rationalization. They have been aided by the political stability of an unbroken series of conservative Liberal-Democrat governments, supported by generous American financial aid, and relieved of the tax burden for sizable military expenditures. Growing international trade and the almost sudden emergence of mass domestic markets furnished tremendous incentives for entrepreneurial activity. Possessing a well-trained managerial and administrative cadre, Japanese industry imported a steady stream of new technologies and increasingly developed its own research and technical laboratories. Innovation proliferated throughout the industrial scene, perhaps even more than at the consumer level. Part of this development sprang from "catching up" on the technological lag Japan had suffered during its 20 years of militarism; but no doubt much also was due to the internationalization of science and engineering. Western-minded Japan, with a widespread growth in secondary and higher education, could take good advantage of this trend.

Labor productivity quickly reflected these developments. Not only did the economy accommodate a million new workers every year, but the labor force was gradually shifted to more productive jobs. Output per worker

per year in the past decade has grown at the remarkable rate of 7.5 per cent. The shift from less to more productive work has been most dramatic in the decline of agricultural employment, which until 1950 had continued to absorb almost half of Japan's labor force and even more of her population. By 1955 the downward trend was distinct, and in 1963 farming accounted for barely more than 30 per cent of the total labor force of 47 million. Since 1958 a net 2.5 million workers have left agriculture, while non-agricultural employment has grown more than 5 million. Even first sons of farm families, traditionally expected to work the fields, are leaving in droves and, now, Japanese economists worry whether "grandma" labor can maintain the high farm yields. If the trend continues, and it is expected to, fewer than 20 per cent of the Japanese labor force will be engaged in agriculture at the end of the 1960's.

Similar shifts have been taking place within industry. Light industries such as textiles and small machinery have been losing out relatively to chemicals, metal goods, electronics, and heavy equipment. White collar activities such as large-scale banking and chain-store retailing are expanding and replacing the archaic service activities. Such structural changes probably account for about one-fifth of Japan's advance in labor productivity.⁶ In turn, they have raised the wages of many workers, although until two or three years ago real wage increases failed to keep apace with productivity advances. This permitted the expanding sectors to enjoy reductions in labor costs per unit of output, thereby enhancing their competitive positions in world markets. All of this has led the demand for skilled workers in the high productivity industries to grow so large that Japan has experienced its first peacetime labor shortages.

However, in the backwash of the structural shifts are a set of declining industries and thousands of small firms unable to cope with the new market and technological requirements. For example, employment in the coal mining industry has been seriously curtailed by industrial conversion to oil (a problem that came to a climax in 1960 at the Miike Col-

⁶ See Kazushi Ohkawa and Henry Rosovsky, "Recent Japanese Growth in Historical Perspective," *American Economic Review*, May, 1963.

liery where the bitterest strike in Japanese history occurred). In the declining sectors, pockets of unemployment have been created, and the degree of underemployment is probably unusually high among those workers most difficult to move and least capable of being retrained. At least two million Japanese workers are known to work less than a full week.⁷

LABOR NEEDS

Spearheaded by the Japan Productivity Center established in 1955, Japanese industrialists have spared no efforts to adopt the most advanced technologies: new chemical and metalworking processes, radical innovations for shipping and rail transportation, automatic telecommunications equipment, electronic computer installations, among others. Many firms also have diversified production, while there has been a discernible trend toward mergers among major enterprises (much to the consternation of the supporters of the anti-monopoly measures instituted during the Occupation). Technological innovation, automation, and reorganization are calling for more and more technical, clerical, administrative, and professional skills in the labor force. Training facilities for them have been heavily taxed, and, although well educated, the Japanese may soon have to introduce radical shifts in educational patterns to keep abreast of these demands.

Modernization of productive facilities in Japan today is not confined to the comparatively few mammoth *zaibatsu* combines and government monopolies as in earlier eras. It also permeates many of the three million small and medium firms, especially the vast network of subcontractors for the large companies. Much of Japan's rural landscape is dotted with new plants in operation and under construction—one reason why farmers are increasingly lured from their fields. In

1964, frantic preparations for the Olympic Games make all this activity even more bustling.

Underlying the consumption boom is an unprecedented volume of investment, utilizing as much as one-third of the annual national product. Avenues for private investment have been opened through easy bank credit policies and sizable government construction of schools, roads, harbors, railways, telecommunications, land reclamation projects, and other forms of "social overhead." This is in addition to the investment the government has undertaken—more than one-fourth of the total since 1955.⁸ All this, despite recurring fears of "overheating" the economy and the presence of a nagging consumer price inflation since 1960.

As a result, most industrial sectors feel the need for new and varied skills. There is a feverish scramble throughout Japan for personnel capable of manning the new operations and technologies. Mergers such as the forthcoming combination of the Shin Mitsubishi Heavy Industries Company, the Mitsubishi Shipbuilding and Engineering Company, and the Mitsubishi Nippon Heavy Industries (which, when joined this year, will constitute Japan's second largest private industrial enterprise) appear designed in part to pool skilled manpower resources. To remain competitive, many small firms have been raising wages faster than the large companies, and in some cases offer the highest wages on the labor market for young workers who can be trained in the new skills.

LABOR MARKET PRACTICES

Growth, structural shifts, technological change, and automation are exerting heavy pressure upon long-established and tenacious labor market practices. In the past, Japanese industrialization has been chiefly held back by limited supplies of capital. However, the major bottleneck to continued development today may now lie instead mainly in the inefficient flow of manpower. Paradoxically, while Japan could always rely on the ready availability of labor (no doubt contributing significantly to her postwar recov-

⁷ Complete unemployment is not high, however. The Japanese unemployment rate is probably less than one per cent according to government statistics. See *Japan Labor Bulletin*, January, 1964.

⁸ See *Economic Survey of Japan* of recent years published by the Economic Planning Agency, Japanese Government.

ery), at the same time labor markets became tightly compartmentalized and, especially for skilled workers, lacked flexibility. A variety of commitments and vested interests developed around these labor market arrangements.

Ever since the turn of the century, Japan has had a "dual" economy. A huge gap in profitability, efficiency, and wage levels has long persisted between the small handful of large enterprises (about 2000 in total today, employing more than one-third of the industrial labor force) and the plethora of small and medium size firms, often directly dependent on the large companies and serving as a buffer for them against the ups and downs of the business cycle. Part of the "dual" economy has been a bifurcation of the labor market itself. Careers of most industrial workers have usually been determined when they complete their schooling. It was often a matter of the level of education completed that decided whether they would spend their working lives in a major firm or among the petty enterprises. Workers gained access to a company mainly through narrow channels of personal connections. Open labor markets, particularly for the skilled, hardly existed. In the highly uncertain years following World War II, despite the Occupation reforms, this compartmentalization was strengthened and, despite the economic growth of the past decade, exerts a major influence in allocating labor supplies.

The resulting contrast between the large and small firm worker is often startling. Workers who achieve permanent status in the large firm may expect on the average to receive twice the wages of the latter, plus a wide range of benefits from housing to recreation facilities which the small employer is unable to provide. Further, heavy investments are made in the training of the large-enterprise employee; well-run, systematic, and continuing programs within major firms have long been developed for these workers. In contrast, most workers in the small companies cease acquiring skills in any systematic way upon completing school except through highly personalized apprenticeships. Another glaring difference is that the large enterprise

worker who attains permanent status may expect "lifetime" employment in the company and will be maintained whether or not there is work to do. He is further protected by the presence of temporary workers who are hired and laid off at will and receive none of the company's benefits. The small firm worker has none of this security unless he happens to be a member of a family that owns the firm. Perhaps 30 to 40 per cent of the industrial labor force enjoys "lifetime" attachment to individual companies.

Such an employment system has minimized movement of workers between the large and small enterprise sectors. In the large enterprise, management and worker quickly become identified solely with the company rather than with jobs, skills, or occupations. Hardly any movement occurs from one large company to another (although this tradition now seems to be breaking down with regard to engineers and advanced technicians). On the other hand, mobility often is high among the small firms and among the temporary workers of the large firms. The practice of early retirement at the age of 55 or 60 also helps to "dump" thousands of workers every year into these markets in search for part-time if not full-time work. The other side of this labor market coin is that competition for workers takes place almost exclusively when recruits are graduating from school, thus accounting for the recent wage rises for these workers.

Wage systems within companies reflect these labor market arrangements. In addition to "lifetime commitments," most large employers, public and private, provide progressively increasing wages and benefits as a permanent worker's length-of-service increases. In fact, the length-of-service criterion usually outweighs any other, such as job content and degree of responsibility. This has meant that wage structures are highly *particularistic* to any given company and that it is extremely difficult to identify "market" wage rates for the different occupations and skills. Although "progressive" employers are attempting to institute American-type job evaluation as the basis for wages, the lack of market reference

points makes this difficult to do rationally.

Still another consequence is that there is a great reluctance to hire older workers—that is, above the age of 30—as new employees. Not only is it expected that they will receive higher wage rates than younger employees (even though their skills may be no different), but also there is the difficulty of training them for the particularistic operations of the firm and of fitting them into established work groups. An interesting difference between the United States and Japan is that the latter has had almost no youth unemployment problem but does have a similar, or even more severe, problem of unemployed older workers.

With the recent economic growth, the changes in industrial structure, and the requirements for new work skills, this employment system has generated increasing restiveness. Moreover, dissatisfaction is likely to grow. Young workers, having ingested Western values of equality and merit and recognizing their increasing bargaining power, are already less than enthusiastic about the length-of-service system and the lack of mobility opportunities. Older workers, on the other hand, are increasingly fearful of losing status within their companies or of being “dumped” out among the underemployed and low-paid of the medium and small firms.

INDUSTRIAL RELATIONS PROBLEMS

Japan's postwar industrial relations system does not readily accommodate an increased flexibility of the labor force. Although the relationships that have emerged have eliminated much of the prewar subjugation of the worker, the system developed on assumptions that Japan's overall economy would remain impoverished, a “dual” economy would con-

tinue indefinitely, and wage and salary workers would be a “minority” in the society. All three conditions are disappearing, especially the last.

Within the past few years, Japan has become increasingly a nation of wage earners, despite a slowdown in labor force growth.⁹ For decades, self-employed and unpaid family workers provided much of the labor force notably in the agricultural and small enterprise sectors. In 1950, such workers numbered almost double those working for wages or salaries. By 1963, the picture had dramatically changed; wage and salary earners, 25 million strong, exceeded the combined total of self-employed (10.6 million in 1957, 9.9 million in 1962) and unpaid family workers (13.9 million in 1955, 10.9 million in 1962). The changed composition of the labor force implies a huge growth in employer-employee relationships and a concomitant challenge to develop mechanisms that assure the spread of industrial democracy and equitable relationships.

Another way of looking at Japanese industrial relations is that employer-employee relations have been highly particularistic. Although some of this particularism has been breaking down under the impact of increasing social mobility and the need for more and more efficient allocation of labor resources, the trend has not yet dispelled major traits of the Japanese industrial relations system that congealed in the immediate postwar decade. Managements emphasize worker identification with and loyalty to the company. Unions at the local level appear bent on pressing worker security within the enterprise's length-of-service system. Collective bargaining (except in a few rare instances such as the seamen) remains enterprise-bound, with union leadership, management, and government reluctant to seek new arrangements for inter-enterprise labor market coordination.¹⁰

At the same time, at the national level, industrial relations has been entwined with the ideological rivalry and factionalism of the unsettled political parties—what has been termed Japan's one-and-a-half party system.¹¹

⁹ For example, from 1953 to 1957 the labor force grew by almost four million (from 39.9 to 40.6 million), but from 1958 to 1962 it grew less than 2.5 million (from 43.9 to 46.1 million).

¹⁰ See Bernard Karsh and Solomon B. Levine, “Present Dilemmas of the Japanese Labor Movement,” *Labor Law Journal*, July, 1962, pp. 541–548; and Mikio Sumiya, “The Strengths and Weaknesses of Sōhyō's Policies,” *Journal of Social and Political Ideas in Japan*, August, 1963, pp. 54–57.

¹¹ Robert A. Scalapino and Junnosuke Masumi, *Parties and Politics in Contemporary Japan* (Berkeley: University of California Press, 1962.)

This involvement diverts energies from the need to develop a detailed democratic decision-making system for complex labor market operations and, thus, makes it more difficult to come to grips with the problem of labor flexibility and adaptability.

Entrenchment of enterprise-based unions is a powerful deterrent to achieving labor market flexibility. Ninety per cent of all Japanese unions, with a like percentage of the total nine million members, take this form, and are mainly made up of permanent workers, blue and white collar together, with "life-time commitments" in the large enterprises. By refusing to abandon length-of-service criteria and insisting on security for the workers already best off, their effectiveness in collective bargaining, although often highly militant, is truncated. Ineffective bargaining, in turn, has fed the unionists' ideological and political proclivities. On the other hand, lack of notable success in both the economic and political areas has impelled many of the restive young workers to seek radical solutions for their frustrations through *Minseidō*, the Communist youth group, while older workers, especially in the small and medium sectors, often look for solace in the pseudo-religious, authoritarian *Sōka Gakkai*.

UNIFICATION OF LABOR

Organized labor's unification has long been a problem in Japan. Ideological divisions were rampant even in the 1920's when the labor movement was first allowed to exist, but they heightened under the Occupation's encouragement of unionization. Today, the two large labor centers are locked in a complex rivalry—the four million member (a majority of whom are government workers), radical socialist *Sōhyō* to the left, and the 1.5 million member (mainly from private industry), moderate socialist *Dōmei Kaigi* to the right.

In addition to this split are the tenuous affiliations of the tight-knit enterprise-based unions to the national industrial organizations that comprise *Sōhyō* and *Dōmei Kaigi*. Moreover, at least 40 per cent of the unionists are in unions that belong to neither center,

and a large proportion of these are employed in the fastest growing and most technologically advanced industries.

COLLECTIVE BARGAINING

Unless the Japan labor movement can make greater progress than it has toward the unification and coordination of these various groups, and unless management and government are willing to broaden their approaches, collective bargaining is likely to remain an ineffective institution for overcoming labor market inflexibilities. The alternative may be increased management dominance or governmental controls over labor force allocation and security.

As long as these alternatives are strong likelihoods, with all they connote of an earlier totalitarian Japan, a strong emphasis on ideological issues will continue to color Japanese industrial relations and thus maintain the divorce of the national political movement from the concerns of the local labor market level. In turn, this may serve only to entrench and extend enterprise unionism further.

In the industrial relations sphere, Japan probably now needs as sharp a breakaway from existing patterns as occurred in the immediate postwar period. Great economic growth, with the creation of a mass-consumption society and the diversification of products, services, and manpower, well affords this opportunity. Failure to restructure industrial relationships may not only slow the growth, but also could make Japanese democracy highly vulnerable should adverse economic conditions return. Further modernization of Japan's industrial relations, on the other hand, would contribute to preventing either consequence.

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Discussing Japan's changing population pattern and its effect on housing, employment and food, this specialist concludes that "It is significant that the nation's attention has shifted from food to housing, positive proof of Japan's improved living standard."

Changing Population Patterns in Japan

By AKIRA DOI

Member of the Showa Dojin Kai study group

IN EVALUATING Japan's population problem, two major points must be considered. Japan has a yearly increase in population to be added to its already high density of population, a factor which is especially noticeable in the cities and urban districts. As a result, Japan suffers a housing shortage, especially in and around the cities. Secondly, as far as the rate of natural increase in population is concerned, Japan ranks low in a world-wide sense. This will undoubtedly lead eventually to a serious problem, namely, an acute shortage of labor. Even now, a shortage of youthful labor has been felt in some areas chiefly because of the continuing economic growth.

Many problems await solution in Japan, particularly regarding population, but anxiety about over-population has already lessened and Japan is presently in a position to make more efficient use of human resources from a broader point of view. Japan today is tending to follow this more peaceful and more economic course. The high density population and the low ratio of natural increase in population, which are contrary forces, offer much valuable proving ground to Japan and she will continue to experiment in her efforts to solve this important population problem.

POPULATION DENSITY AND HOUSING

In the past ten years, between 1953 and 1962, Japan registered a population increase

of 8,180,000. The population density accordingly showed an average increase during this period of 21 persons per square kilometer (from 236 to 257). The annual average increase was 818,000. This rate of increase is not so high, but the problem is that Japan's territory covers an area of only 370,000 square kilometers.

Further, the drift of population to cities is strong. Let us take the case of Tokyo. The population was about 7 million in 1955, but mounted to 8.7 million in 1963. This means that during the period from 1955 to 1963 an increase of 1.7 million was registered. The average density of population per square kilometer increased by 3,066 persons during the same period.

As a result of this trend, the housing problem is destined to sharpen. The demand for housing which has lately been mounting rises from two groups. First, there is the group whose houses have hitherto not been fit to live in or whose deteriorated houses need rebuilding, or which is seeking new houses due to a change in employment. Secondly, there is the group which is seeking new housing largely because of a new marriage or an increase in family size. Of these two, the latter group directly reflects the increase in population.

It is worth noting that the average floor area per individual has been shrinking since the surrender of Japan. In 1958, the average number of individuals per room in Japan

Table I: Total Population in Japan
(1000)

Year	Total	Japanese	Net Increase	No. of Persons Sq. Km.
1953	87,000	86,400	1,054	236.2
1954	88,200	87,700	1,038	239.5
1955	89,280	88,680	894	241.5
1956	90,170	89,570	755	244.0
1957	90,920	90,320	838	246.0
1958	91,760	91,150	876	248.3
1959	92,640	92,010	780	250.6
1960	93,420	92,820	866	252.7
1961	94,280	93,700	893	255.0
1962	95,180	94,580	900	257.5

Source: Bureau of Statistics, Office of the Prime Minister.

was 1.4, just twice that of the 0.7 per room in the United States. And Japanese rooms are smaller.

Because of crowded quarters, more and more Japanese must live in separate houses after a son's marriage or after an increase in the size of the family. This situation is aggravated in the cities and urban districts by the already high population density and there the housing shortage is becoming very acute.

The Economic Planning Board of the Japanese Government has estimated the projected number of marriages for the 15 years from 1960 to 1975 as follows:

Italy	320,000	(Annual average, 1960-'70)
Japan	780,000	(" 1960-'65)
	850,000	(" 1965-'70)
	940,000	(" 1970-'75)

Actually, the figure in Japan was higher in 1962 (928,000) and the figure for 1963 is now estimated at 926,000. For this reason, the 15 year total may perhaps exceed the above projection. Married couples do not always live in separate houses. On the other hand, some couples are unwilling to give up the idea of living alone simply because of the serious housing shortage. Nonetheless it is very difficult to rent a house or to obtain land because of mounting land values and high rents.

In addition to the strong demand for residential land, increased demand for non-resi-

dential land spurs land values. Taking the year 1955 as 100, the index of residential land values reached 600 in 1962. Land values are still rising, supported partly by speculation. Rentals are no exception, mainly due to increased demand and the rising cost of residential land and of building. According to an estimate by the Ministry of Construction, newly-built houses will total 850,000 in 1964, including those to be financed by the Government and those being built by private funds. Individuals in Japan are much interested in building despite the present unfavorable situation. Private investment in housing construction reached \$1.5 billion in 1962—20.4 per cent higher than the preceding year, this figure including considerable investment in rental housing and apartment houses.

DEMAND AND SUPPLY OF LABOR

Environmental sanitation has been improved to a great extent in Japan and the death rate has showed a striking decline. On the other hand, there has been an even more rapid decline in the birth rate, because of birth control practices. In the past, Japan's birth rate was very high; for example, the number of births in 1947 was 2,720,000, with a birth rate of 34.8 per 1,000. Declining year after year, the births in 1960 totaled 1,595,000, reducing the birth rate to 17.2 per 1,000. It is estimated that the figure for births in 1963 will number 1,660,000, allowing for a birth rate of 17.3 per 1,000. According to the

Annual Statistics of the United Nations (1963) the world's average birth rate is 36 per 1,000, and the rate for the United States is 22 per 1,000.

Historically, the Japanese death rate was high. In 1946, the rate was 15.3 per 1,000. A gradual decline appeared yearly. In 1958, the death rate was 7.4 per 1,000; since then, no striking decline has been recorded. The latest estimate shows a death rate of 7 per 1,000 in 1963, the lowest rate in the world. Along with the low death and birth rates, the natural increase in population has been declining. It was once over 1,700,000 yearly but now is within approximately 900,000 yearly.

In the past, Japan has always suffered from surplus labor due to its high natural population increase rate. However, in addition to the leveling off of this rate, recent economic growth has made it possible to increase the number of employed persons in Japan. This number has increased 6 million during the ten year period from 1953 to 1962, i.e., from 39 million to 45 million. As of June, 1963, the labor force totaled 47,400,000. Both family employment and self-employment decreased slightly, whereas the number of independent employers increased remarkably.

Reflecting an increasing trend in Japanese employment, there is a labor shortage in small and medium-sized enterprises; especially there

Table II: Growth of Population

Year	Total	Live Birth	Rate (per 1000 popu- lation)	Death	Rate (per 1000 popu- lation)	Net in- crease	Rate (per 1000 popu- lation)
1946	75,800	2,623	34.6	1,164	15.3	1,460	19.3
1947	78,101	2,718	34.8	986	12.6	1,732	22.2
1948	80,010	2,711	33.9	943	11.8	1,768	23.0
1949	81,780	2,447	29.9	915	11.1	1,532	21.2
1950	83,200	2,229	26.8	872	10.5	1,356	16.3
1958	91,760	1,666	18.0	693	7.4	974	10.5
1959	92,640	1,620	17.5	712	7.4	908	10.1
1960	93,420	1,595	17.2	697	7.6	898	9.6
1961	94,280	1,617	16.9	716	7.4	902	9.5
1962	95,180	1,628	17.0	724	7.5	904	9.5

Source: Bureau of Statistics, Office of the Prime Minister.

Table III: Employed Person by Industry and Class of Worker
(1000)

Year	Total	Self Employed	Unpaid Family Workers	Paid Employees
1953	39,360	10,040	13,600	15,720
1954	39,890	10,140	13,540	16,200
1955	41,190	10,400	13,850	16,900
1956	41,970	10,480	13,240	18,230
1957	43,030	10,580	12,850	19,570
1958	43,240	10,310	12,410	20,500
1959	43,680	10,240	11,830	21,580
1960	44,610	10,330	11,510	22,730
1961	45,180	10,110	11,210	23,790
1962	45,740	9,810	10,940	24,960

Source: Bureau of Statistics, Office of the Prime Minister.

is a marked scarcity of junior high school graduates for this work. In large-scale enterprises with over 500 workers, 60 per cent of the number of jobs open were filled in 1963; in the medium-sized enterprises with 30-99 workers, 25 per cent of the openings were filled and in the smaller ones, under 20 per cent. Further, an unbalanced shortage prevails for, despite the shortage of youthful labor, there are few opportunities for employment for middle-aged and older workers. However, with the increasingly acute shortage of younger workers, these middle-aged and older workers will find more and more opportunities for employment.

Because of the shortage of younger labor, youth commands higher wages. With this and increasing employment, earned income has shown a striking rise. Personal income, including earned income, self-traders income, and individual property income (rent, interest and dividends), reached \$38.5 billion in 1962; earned income reached \$23.5 billion, 60.5 per cent of the personal income and an increase of 16.4 per cent over the preceding year.

The increase in average rate of earned income during 1955-1961 was 14.2 per cent, and the average monthly gross income per worker household in cities with a population of over 50,000 reached \$134 as of October, 1963, with an increase of 11.3 per cent over the preceding year.

As a result of the increase in earned income, consumer demand has not only tended to increase but also to spur consumer prices. Taking the year 1960 as 100, recent consumer prices index figures are as follows:

1958	95.5
1962	109.6
1962	(Sept.)	113.0
1963	(Sept.)	123.0

Labor unions make use of this recent consumer price hike to demand raises in wages and, as a result, both wages and consumer prices tend to spiral. A notable increase in consumer prices appears in foods (especially perishables) and services. The consumer is to a great degree dependent on perishable foods throughout the year and even a slight delay

in supply causes an immediate increase in prices, as long as the demand and the increased earned income can sustain the higher price.

However, generally speaking, Japan's national income is still low, totaling \$42.9 billion, ranking as the world's fifth country, i.e., behind the United States, Great Britain, Germany and France, in that order. The average national income per capita is given as \$461, placing Japan twenty-second among the world's nations.

Despite Japan's international reputation as a producer of rich perishables, the Japanese diet is affected somewhat by the low per capita income. The average world-wide caloric intake per day is 2,420—in the Far East, it is 2,060, and in North Africa, 2260. The figure for Japan is 2,280, comparatively higher than for the rest of the Far East but still below the worldwide average. This is attributable mainly to different diet patterns in Japan, especially to the low consumption of bread and butter. A strenuous effort is now being made to improve the Japanese diet; any such change tends to increase the growing demand for perishables, and may eventually add to the price spiral.

From the point of view of population pressure, the housing problem still comes first and is most serious. In spite of pressures for an improved diet, it is significant that the nation's attention has shifted from food to housing, positive proof of Japan's improved living standard.

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Evaluating the relative tranquility of the domestic political scene in Japan and "the stable distribution of voting strength that has become one of the noteworthy features of Japanese politics since the end of World War II," this author points out that "considerable disagreement persists as to the meaning of this stability."

Factional Politics in Japan

By HANS H. BAERWALD

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JAPAN HAS enjoyed remarkable political stability in recent years.¹ This condition coincides with the administration of Ikeda Hayato as Prime Minister and President of the governing Liberal-Democratic (conservative) party and can be contrasted rather sharply with the stormy events during the tenure of his predecessor, Kishi Nobusuke. It was during the waning months of the latter's stewardship that turmoil prevailed on the streets of Tokyo and in the halls of the Diet, Japan's Parliament. Ratification of the revised Security Pact with the United States was at that time the principal policy issue.

Since that time, a variety of factors has played a role in promoting domestic political tranquility. Among the more significant would certainly be Ikeda's "low posture" (*teishi-sei*) tactics. In essence this approach rests on the belief that little, if anything, should be undertaken by the Liberal-Democrats to inflame the principal opposition, namely, the Socialists. Two current issues in this category are the "normalization" of relations with the Republic of Korea and the berthing of United States nuclear-powered submarines in Japanese ports. Prime Minister Ikeda has been temporizing on both issues even though he singled out relations with Korea for special mention in his first adminis-

trative policy speech to the Diet after last fall's general election. "Especially with respect to our neighbor nation, the Republic of Korea, which has taken the first step on the road of democracy, we wish success, and with a view toward early realization of the long-pending issue, namely the normalization of diplomatic relations, we are determined to do our utmost to speed negotiations."

In these efforts, it must be recognized, Ikeda will run into stiff opposition from the Socialists. They contend that present government plans are to normalize relations only with South Korea, thereby underwriting the continued political division of that unhappy country. Secondly, and despite the recent elections in Korea, the Socialists view the Park regime as a military dictatorship which Japan should approach with great care. Finally, the Socialists see the United States as encouraging the "normalization" of relations between Japan and South Korea with a view toward strengthening the United States alliance system in that part of the world and it is this policy which the Socialists view with the greatest apprehension. This issue is only one of a series which could embroil Ikeda and his government in serious disputes inside the Diet.

A DELICATE BALANCE

From his own point of view, Ikeda is confronted with the task of performing a delicate balancing act inside the Party over which he

¹ Research for this article was made possible by a grant from the American Council of Learned Societies, which assistance is gratefully acknowledged.

has now presided for three years. The Liberal Democratic party (L.D.P. hereafter), ever since its formation in the fall of 1955, has been a coalition of factions. As its name implies, the L.D.P. combined two previously independent conservative parties, the Liberal and the Democratic. Rivalries are not uncommon between party members who trace their political allegiance to one or the other of these formerly independent political parties. Despite these internal conflicts, the L.D.P. has obtained nearly two-thirds of the seats in the Diet in the last eight years.

Other factors also must be considered in explaining the existence of factions inside the L.D.P. Among these is the strife between those politicians who were removed from public office ("purged") and those who emerged in the postwar years. For example, the now deceased unifier of the L.D.P., Hatoyama Ichirō, had been purged on the eve of his appointment as Prime Minister in 1946. It was a badly kept secret at that time that he and his successor, Yoshida Shigeru, had made an informal agreement on the basis of which Yoshida would return the reins of power to Hatoyama when the latter again became eligible to hold public office. This agreement was not honored so that, understandably enough, supporters of one or the other of these gentlemen have had some degree of difficulty in becoming happy bed-fellows.

Related to the Hatoyama-Yoshida split is the second factor that is often cited as one of the principal divisive forces inside the L.D.P. Hatoyama had been a distinguished parliamentarian of long standing. Yoshida, on the other hand, had had a lengthy career as an official in Japan's foreign service, including an ambassadorship to Great Britain. One consequence of this difference in background was that supporters of Hatoyama tended to be individuals who had been parliamentary politicians, whereas Yoshida brought into the world of parliamentary politics a large number of individuals whose careers had been in the bureaucracy. Prime Minister Ikeda and one of the principal rivals for the succession, Satō Eisaku, were both Yoshida proteges and

both had been bureaucrats. On the other hand, individuals who clustered around Hatoyama subsequent to this depurge tended to be parliamentarians such as, for example, Satō's current rival for the L.D.P. presidency and prime ministership, Kōno Ichiro.

It would be misleading to suggest that this politician versus ex-bureaucrat division in the L.D.P. is hard and fast. Prime Minister Ikeda, an ex-bureaucrat, has had considerable success in gaining the support of leaders of "pure politician" factions such as those of L.D.P. Vice-President Ohno Bamboku or L.D.P. Policy Board Chairman Miki Takeo. This alliance may well be the product of efforts to head off Satō's accession to leadership. By the same token, the division of the L.D.P. into a "politicians' faction" (*Tojin-ha*) and a "bureaucrats' faction" (*Kanryō ha*) is certainly one of the realities of factional strife. Exacerbating these conflicts are the elections for Party president which sharply delineate factional conflicts.

A third factor making for factionalism in the L.D.P. is party finances. This element in the equation becomes particularly acute at election time, for a candidate has little chance of success without an adequate *kaban* (satchel) filled with yen (10 million yen, or nearly \$300,000, is a common figure). Generally speaking, the Party provides one-third, once the decision has been made that the candidate will be officially sponsored. The candidate himself is expected to raise one-third, and the leader of the faction, often referred to as the *oyabun* (boss) provides the final one-third to his *kobun* (follower).

Some observers maintain that contributing to this financing of factions (rather than to the L.D.P. as an entity) is in part the heritage of *zaibatsu*-dissolution (trust-busting) undertaken initially by the Occupation. In prewar Japan, so the argument runs, the two major conservative parties, Seiyukai and Minseito, were financed respectively by the Mitsui and the Mitsubishi combines. Once the power of these giant trusts was at least partially dissolved, repercussions were felt in the financing of conservative candidates.

In contravention to this thesis, it is pointed

out that there was considerably less factionalism in the Liberal party when Yoshida was at the helm than exists at present in the L.D.P., and that Yoshida's term as Prime Minister coincided with a period during which the *zaibatsu* had been dissolved (at least in part) and had not yet had the opportunity to remerge to the extent that has taken place in recent years. Whatever the merits of this argument, it is to be expected that factions would not long survive as separate entities inside the L.D.P. were factional leaders not able to gather their own financial resources. Relationships based on similarity of background, or admiration for the factional leader, or other ties based on sentiment may well bind groups together, but being beholden financially contributes powerfully (some observers maintain, exclusively) to the cementing of these relationships.

Finally, there is a mechanical factor that contributes to the survival of factionalism in Japanese political parties, whatever their ideological orientation. The Japanese electoral system for the House of Representatives is peculiarly well suited to maximizing whatever conflict exists within political parties. Each

electoral district (there are 118 in all) elects three, four, or five representatives to the lower house. A voter casts his ballot for one candidate and the top candidates are declared elected, regardless of their percentage of the total vote.

This system, as it operates in Japan, means that a good deal of maneuvering takes place among candidates of the same party in order to insure their own election. On occasion, candidates from rival factions inside the L.D.P. will go one step further by attempting to roll up a much larger share of the vote for themselves, thereby blocking the election of another L.D.P.'er. This kind of infighting has its dangers (from the L.D.P.'s point of view) in that it can result in the election of a candidate from a rival political party.

An alternative technique is for one of the factional leaders in the L.D.P. to support an "independent" (often a conservative local politician who has not received the endorsement of the Party) at the expense of the official party candidate(s) running in that district. Kōno Ichirō, current Minister of Construction, is alleged to have used this device to good advantage in the November,

TABLE I: CABINET COMPOSITION

Post	Minister	Faction	Terms in Diet
Prime Minister	Ikeda Hayato	Ikeda	6
Foreign Minister	Ōhira Masayoshi	Ikeda	5
Labor Minister	Ōhashi Takeo	Ikeda	6
*Economic Planning	Miyazawa Kiichi	Ikeda	2
Cabinet Secretary	Kurogane Yasumi	Ikeda	5
Science-Technology, Hokkaido Development, Olympics	Satō Eisaku	Sato	6
Finance Minister	Tanaka Kakuei	Sato	7
*Welfare Minister	Kobayashi Takaji	Sato	2
International Trade & Industry Minister	Fukuda Hajime	Ohno	5
*Postal Services Minister	Koike Shinzō	Ohno	3
Defense Agency Director	Fukuda Tokuyasu	Ohno	5
Autonomy Minister	Hayakawa Takashi	Miki	7
Transportation Minister	Ayabe Kentarō	Fujiyama	6
Justice Minister	Kaya Okinori	(ex-Kishi)	2
Agriculture & Forestry Minister	Akagi Munenori	Kawashima (ex-Kishi)	7
Administrative Management Agency Director	Yamamura Shinjirō	Kawashima	8
Education Minister	Nadao Hirokichi	Ishii	5
Construction Minister	Kōno Ichirō	Kono	10

* Members of the House of Councillors whose terms are six years by contrast to members of the House of Representatives whose maximum term between elections is four years. It has now become a tradition that three members of the House of Councillors will become Cabinet Ministers. (Source: *Sankei Shimbun*, July 19, 1963, p. 1)

1963, election and thereby to have increased the number of his own faction's adherents sitting in the House of Representatives. The multiple-member constituency system may not in itself be a cause of factionalism (it was not so great an impediment to party unity in the Yoshida era), but the juggling of electoral support for L.D.P. candidates that the system promotes certainly impedes the abolition of factions.

Leaders of the L.D.P. are well aware of the problems created by factional strife. Indeed, an organization research council headed by Miki Takeo was hard at work during 1963 on a series of recommendations to modernize the party by abolishing factions. The council's interim report's issuance was timed to coincide with Ikeda's reshuffle of his cabinet in July, 1963. It helped to strengthen the Prime Minister's hand in warding off the pleas of factional leaders to organize the cabinet strictly in accordance with the strengths of the various factions. Instead, the slogan became, "the right man for the right job," implying that selections for cabinet posts would be made on the basis of merit and competency rather than the more traditional criteria of (a) length of service in the Diet and (b) factional allegiance. The impact of the interim report can best be measured by the cabinet's composition, which continued to re-

fect the strength of various factions. (See Table I.)

In addition, the principal party offices were also distributed according to factional balancing. Thus, serving with Ikeda as Party president was one of his key lieutenants, Maeno Shigesaburō, as Party secretary-general. Three leaders of factions belonging to the party-men's group (*Tojin-ha*) continued in or became the other top party officials: Ohno Bamboku remained as vice-president, Fujiyama Aiichirō became chairman of the executive board and Miki Takeo accepted the increasingly important post of chairman of the policy board.

The selection of Funada Naka and Tanaka Isaji as speaker and vice-speaker of the House of Representatives respectively in the current session of the Diet further indicates the extent to which Ikeda is wooing the party-men's grouping at the moment. The speaker belongs to the Ohno (pure-politician) faction and the vice-speaker belongs to the Ishii Mitsujiro faction which is an amalgam of politicians and ex-bureaucrats.

Thus it can be concluded that despite the Organization Research Council's interim report and the final report issued (on October 15) just prior to the election itself, factions continue to play a critical role in the fortunes of the L.D.P. On the other hand, support for the idea that the L.D.P. cannot become a modern political party unless factions are abolished is becoming an increasingly popular notion.² In December, 1963, all factions declared that they would disband their respective headquarters, usually a suite of rooms in one of the many modern hotels to be found in the vicinity of the Diet. It is to be doubted that the mere dissolution of these headquarters will mean the end of the existence of these divisions in the L.D.P. Indeed, there are Japanese politicians and commentators who argue that factions are not so evil as their opponents believe. Watanabe Tsuneo, a political correspondent for the *Yomiuri Shimbun* (one of Japan's big three in the newspaper field), has pointed out that even though these groupings do not usually reflect divisions based on policy questions, they pro-

² The report recommends that the first condition for the modernization of the L.D.P. is for the factions to be dissolved. This is to be accomplished by: (a) creation of a personnel bureau in the executive offices of the party to supervise personnel records which will be used as a basis for receiving the party's recommendation together with a permanent bureau within the committee on elections to assist the nominated candidates; (b) all political contributions are to be made to the party with a yearly limitation of 300,000 yen per individual or group; (c) the party president is still to be elected by the party convention, but the party counselors are to be reconstituted as that group which selects and recommends candidates for the presidency, thereby limiting the number of candidates, with the term of office for the party president to be three years (instead of the two years as at present); (d) reform of the electoral system (multiple-member vs. single-member district system and appointment) is to be reported by the research committee on the electoral system. Source: Miki Takeo and Ikeda Hayato, *To Kindaika ni kansuru Soshiki Chosakai Toshin* (Report of the Organization Research Council on Party Modernization), (Tokyo: Liberal-Democratic Party, mimeo, n.d., but issued October 15, 1963).

mote a greater diversity of viewpoints that find their way into party councils. In his view, it would be tragic for Japan to return to the system that prevailed under Yoshida when virtually all important decisions were made by this elderly gentleman.

Opponents of factions argue that these divisions in the governing party make it more difficult for the party to govern. Furthermore, the civilian bureaucracy, still the most powerful factor in the government, can use factional strife in the L.D.P. to its own advantage. Finally, this factional infighting can lessen popular support for the L.D.P. in particular and the party system as well as parliamentarism in general. It is unseemly, so the argument runs, for the governing party of an important country to have so much internal bickering. Expectations on the part of the Japanese people, especially of the intellectuals, are of an exceedingly high order. The performance of the political parties all too frequently does not measure up to these expectations. This gap will have to be bridged somehow if Japan's parliamentary politics are to be placed on a sound footing.

THE PRINCIPAL OPPOSITION

The Socialist party of Japan (hereafter J.S.P.), as has been noted, is the L.D.P.'s principal opposition. This Party also confronts a number of problems. Probably basic to a variety of dilemmas that it faces is its inability to surmount the "one-third barrier." Ever since the beginning of the postwar era, the Socialist party has hovered around the 30 per cent figure in the total number of votes it has been able to poll in an election. In the last two general elections, those of November, 1960, and November, 1963, the Party polled 27.5 and 29.07 per cent of the total vote. (If the 8.7 and 7.3 percentage polled by the Democratic Socialists—Minshato—in these elections is added, the total is slightly in excess of 36 per cent.) In the election of 1963, the Party mounted an impressive effort to elect at least 156 members of the House of Representatives (one-third of the total of 467 seats); but fell short of this goal by electing only 144.

Socialist leaders believe that their most critical mission today is to preserve and to protect the postwar Constitution. To do so effectively, it is necessary for them to have at least one-third of the seats in the House of Representatives which enables them to block any efforts on the part of the L.D.P. to revise the Constitution. The L.D.P. as well as the Government have had lengthy research studies prepared on the Constitution which indicate a number of provisions that would seem to require amendment. However, the Party has been extremely cautious on specific recommendations. The Socialists, on the other hand, have taken a clear-cut stand against any revisions, including revision of the famous Article IX in which Japan renounces war and the threat or use of force in settling international disputes. Pressure to revise this article exists inside the L.D.P., but thus far Prime Minister Ikeda (and his conservative party predecessors) have played a waiting game, recognizing that popular sentiment has been largely on the side of the Socialists and other anti-revisionists, the Democratic-Socialists and the Communists.

Socialist party support has largely centered around the major labor union federation, *Sōhyō* (General Council of Trade Unions). This circumstance has been both a strength and a weakness. Without *Sōhyō*, the Socialists would have virtually no local organizational strength and relatively little financial support, because the business community gives almost all of its contributions to the L.D.P. On the other hand, this excessive dependence on *Sōhyō* has tended to rigidify the policy stance adopted by the Socialists and has made it difficult for them to appeal to other interest groups, including owners of and workers in medium and small enterprises.

These difficulties are reflected in the factional strife that has beset the Socialist movement. In the last two years, the mainstream faction has tried to moderate the Party's dogmatic adherence to Socialist principles by advocating a more pragmatic program known as "structural reform," an effort to combine adherence to the Peace Constitution, support of parliamentarism as it operates in England,

TABLE II: JAPAN'S 30th GENERAL ELECTION—November 22, 1963*

Party	Candidates (1960) ¹	Elected (1960)	Popular Vote	
			Total (1960)	% of Total (1960)
**Liberal-Democratic (Jiyu-Minshu To)	359 (399)	283 (296)	22,423,915 (22,740,272)	54.67 (57.56)
Socialist (Shakai To)	198 (186)	144 (145)	11,906,766 (10,887,134)	29.03 (27.56)
Democratic-Socialist (Minshu-Shakai To)	59 (105)	23 (17)	3,023,302 (3,464,148)	7.37 (8.77)
Communist (Kyosan To)	118 (118)	5 (3)	1,646,477 (1,156,723)	4.01 (2.93)
Minor Parties	64 (34)	— (1)	59,756 (141,941)	0.15 (0.35)
**Independents	119 (98)	12 (5)	1,956,313 (1,118,905)	4.77 (2.83)

¹ Figures in parentheses indicate like data for 1960.

* Sources: *Asahi*, *Mainichi*, *Yomiuri*, and *Sankei Shimbun*, November 23, 24, 1963. (Voter turnout was the second lowest in the post World War II period with only 71.14% of the eligible electorate participating. This figure is to be compared with the 73.51% and 76.99% in 1960 and 1958 respectively.)

** All of the independents, except for former Speaker of the House of Representatives Kiyose Ichiro, have joined the L.D.P., thus increasing the L.D.P. strength to 294 seats.

emulation of the American standard of living and the Soviet Union's welfare program. This combination of goals has not been met with complete acceptance by the Party. On the basis of the relatively poor showing, at least as interpreted by Party leaders, of the Socialists in the November, 1963, election, acrimonious debates are taking place inside party councils between those who maintain that the Party should return to Socialist dogmas and those who desire to become more pragmatic.

A third political party, the Democratic-Socialist (D.S.P. hereafter), has taken a stand somewhere between the L.D.P. and the J.S.P. This party, a splinter grouping that has been in and out of the J.S.P. in the last decade, combines a domestic program of relatively mild social reform with a foreign policy that tends to support the alliance between Japan and the United States. Candidates of the D.S.P. did considerably better in the November, 1963, election than had been anticipated by most observers, picking up 23 seats in the House of Representatives as opposed to the 17 they had won in 1960. This gain was achieved despite a drop in the percentage of the popular vote from 8.77 per cent in 1960 to 7.37 per cent in 1963, a decline also re-

flected in the total popular vote.

This result was brought about by a combination of careful selection of candidates, hard work in selected electoral districts rather than a seeking for support in all areas and the feeling that the D.S.P. should not disappear as a kind of "third force" in Japanese politics. Nishio Suehirō, the leader of the D.S.P., believes that his party's showing in the election vindicates the middle-of-the-road position that he has taken and that the Japanese people are dissatisfied with the policies of the L.D.P. on the one hand and on the other the occasional bursts of near violent behavior of the Socialists in the Diet, which provides evidence of a lack of adherence to parliamentarism. The D.S.P. can help to bridge the chasm that separates the L.D.P. and the J.S.P. on some issues, especially in the realm of foreign affairs. It remains to be seen whether it does fulfill this function.

The Japanese Communist party (hereafter J.C.P.) is still a miniscule group on the stage of Japanese politics. To be sure, it managed to increase its popular vote by 500,000 in the 1963 election and to pick up five seats in the House of Representatives instead of the three it had held previously. Until the summer of

1963, the J.C.P. had tried to maintain a posture of neutrality in the increasingly vitriolic dispute between Moscow and Peking. At present, the J.C.P. seems to be leaning toward Peking if Moscow's support for, or Peking's opposition to, the partial nuclear test ban treaty between the United States and the U.S.S.R. is taken as an indicator.

Nonetheless, as Shiga Yoshio, (one of the senior party leaders) has pointed out, Japan is geographically an Asian country, but economically belongs in the category of the advanced industrialized countries of Western Europe. For the present, the attraction of Peking would seem to be the stronger, but factionalism in the J.C.P., exacerbated by the split in the world Communist movement, makes it extremely hazardous to foretell the Party's future course.

Japan's election of November, 1963, did not alter the basic alignment in the respective strengths of Japan's political parties. The conservative L.D.P. retained its nearly two-thirds representational strength in the House of Representatives and the renovationist parties, i.e. Socialist, Democratic-Socialist and Communist, in their combined totals, obtained somewhat in excess of the one-third that is needed to block revision of the Constitution. (See Table II.)

This latest of Japan's elections thus continues the stable distribution of voting strength that has become one of the noteworthy features of Japanese politics since the end of World War II. Considerable disagreement persists as to the meaning of this stability. Liberal Democrats argue that the continued electoral support the L.D.P. enjoys indicates approval of the stewardship it has provided. Renovationists argue that the conservatives hold a double advantage, at the very least. First, the L.D.P. has far more money to spend on campaigning. Second, rural areas, in which L.D.P. strength is predominant with a few noteworthy exceptions, are over-represented. In major urban centers such as Tokyo, Yokohama and Osaka, a candidate requires a minimum of 80,000 votes to be elected, whereas there are rural constituencies in which it is possible to win with less than 40,000 votes.

As yet, no acceptable formula has been found to equalize the population basis of electoral districts. As urbanization proceeds, the situation is likely to become worse before it becomes better because political parties are loath to give up this kind of advantage. In this respect, the L.D.P. has not proved to be an exception.

IDEOLOGICAL CONFLICT

More serious than the foregoing is the wide chasm that persists between the L.D.P. and the J.S.P. at least on the level of formal policy pronouncements. This ideological conflict is particularly noticeable in foreign affairs in which the L.D.P. has tended to pursue pro-Western policies, whereas the J.S.P. has advocated a policy of neutralism. It is possible that this gulf can be bridged if the beginnings of a détente between the United States and the Soviet Union (ushered in by the partial nuclear test ban treaty and the "hot line" between the White House and the Kremlin) create a further lessening in the atmosphere of conflict. There are, for example, elements within the L.D.P. who are just as anxious as is the J.S.P. to further commercial and possibly diplomatic intercourse between Japan and the People's Republic of China. Japan's political leaders are particularly sensitive to trends in the whole arena of international affairs. Thus it can be expected that the disagreements on foreign policy issues between the Government and the Opposition will be in di-

(Continued on page 243)

Hans H. Baerwald was born in Japan and lived there until the beginning of World War II. He returned as a language officer for the United States Army during the Occupation. Receiving his Ph.D. in Political Science from the University of California, Berkeley, in 1956, he was subsequently assistant and associate professor of Government at Miami University, Ohio. He spent the months of May to September, 1963, in Japan under a grant from the American Council of Learned Societies and returned for ten days in November, 1963, to observe Japan's elections.

Setting the scene for his article on the present intellectual and social outlook in Japan, this writer says, "Japan is rapidly emerging from the aura of the exotic, mysterious orient. Traditional village-centered farm life is crumbling before the intrusive bulldozer hired to build industry. . . . Despite the remarkable postwar recovery and the post-treaty return to respected international status, what may be called 'the national mood' in Japan is uncertain."

Japan: "The Kitchen and the Garden"

By ARDATH W. BURKS

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RECENTLY the publisher of a well-known magazine in Japan was interviewing Takeo Noda, Director-General of Administration in the Office of the Prime Minister. Their talk ranged from Japan's remarkable economic growth to what Prime Minister Hayato Ikeda has called "character-building." Perhaps to needle the spokesman for the cabinet, the publisher commented on what he referred to as excessive emphasis placed by postwar prime ministers on economic administration, thereby neglecting Japanese spiritual rehabilitation.

Noda promptly agreed. "Now that the kitchen has been put in order, we must set about decorating the alcove and trimming the garden."

What followed in their dialogue would have seemed familiar to Americans: concern over the incidence of crime and rising juvenile delinquency; the thorny problem of the demoralizing influence of racy publications on youth versus the need to protect freedom of the press. Thereafter the Japanese administrator sounded a theme with which Americans might not be familiar.

The shortages of commodities and the inflationary trend which we experienced just after the

war have now disappeared. At the same time our national pride has also disappeared. I think that this is the greatest sorrow brought by defeat in the war. American trends prevailing among juveniles have nothing to do with the original national traits of Japan. . . .

And yet, countered the perceptive publisher, although Japan is said to have lost its backbone through Americanization, the United States has considerable backbone; it has patriotism and its own nationalism. "If 100,000 yen is to be invested in renovating industrial techniques, 200,000 million yen should be invested in the spiritual renovation of the people."

Again Noda concurred. "I agree with you. Now is the time for us to grapple with the spiritual problem of the Japanese in dead earnest."¹

Aside from such matters of national pride, does or does not Japan enjoy a phenomenal economic boom? And how does this affect today's Japan?

That there is a boom, there is no question. To cite only one of an impressive list of statistics Japan's average annual growth rate, between 1953 and 1958, was the highest in the world.²

Despite the remarkable post-war recovery and the post-treaty return to respected international status, what may be called "the national mood" in Japan is uncertain. To state the situation in another way, in the terms of

¹ Interview, Masayuki Yatagai, publisher, and Takeo Noda, "Japan Should Have Backbone," *Jimbutsu Orai*, September, 1963.

² Ardath W. Burks, *The Government of Japan* (New York: Crowell, 2d. rev. ed., 1964), p. 177.

an impartial, third-party observer,³ why do Japanese so often deny their own cultural traditions? There are Asians who are materially far poorer than the Japanese; who have just emerged from colonial rule; and who nevertheless have preserved a cultural awareness and national pride. Why is comparable evidence so rare in Japan—a country which performed a near-miracle in modernization, which established science, technology, and a differentiated economy in less than a century, and largely on its own initiative? Why do Japanese almost insist upon retaining the one thing they can least afford, an inferiority complex? In some cases, the tensions of growth themselves provide answers. In others, they do not. The problem is complex.

POSTWAR PHILOSOPHY

By far the most popular trend in the philosophy of postwar Japan has been that which centers on materialism and Marxism. One reason is doubtless the reaction to war-time frenzy, under which even objective analysis of Marxist theory was banned. The magic of the Hegelian dialectic has won the less thoughtful. Even more immediate in impact has been the rise to world-power stature of the Soviet Union and, more recently, of the People's Republic of China.

The academic visitor to Japan is immediately struck by the fact that fascination with Marxism has spread not only among those who proclaim themselves to be Communists, but also among those who can and do distinguish between social reforms and Marxist

thought. Just before and during the war, many "progressive" professors were purged from their academic posts, in the infamous campaigns against "dangerous thoughts." Many joined publishing firms, to help lay the foundations for Japan's well-known Left Cultural Front.⁴ Even those who were not converted borrow Marxist terminology, in a kind of ironic antithesis to prewar and war-time super-nationalism.

Until recently, the Philosophical Society of Japan (*Nihon Tetsugakukai*) would seem to have been completely under the domination of Communist philosophers. Father Piovesana, in his remarkable survey of contemporary Japanese thought, relates one among many coups engineered by the Communists—the capture of Kenjūrō Yanagida, a well-known former member of the Kyoto School of philosophy. Always fascinated by the fine points of Marxism, Yanagida eventually (1960) joined the Party. He has attracted a wide following, particularly among younger readers. In his semi-philosophical odyssey, *The Wandering of My Thought* (1951),⁵ he describes how he passed from idealist criticism to materialism, and thence, to militant atheism and communism.

It is very significant that, although Japanese book stores are crammed with publications of all sorts on Communist thinking—Marxist theory, the Russian line, and the Chinese counter-line—original works by Communist Japanese authors are few. It is nevertheless difficult to write off their effects, even if one becomes irritated with the "dialectical mannerisms" shared by so many Japanese writers. Father Piovesana concludes:

It is not too surprising, given the fact that Japanese society has passed through critical moments marked by the fast changing tempo of its structure and ideology, that even independent and capable thinkers were attracted by a method which seemed to present a key to the interpretation of strongly contrasting and paradoxically coexisting aspects of culture.⁶

In short, the general cultural background would seem to explain a common mood, which in turn affects to some degree contemporary philosophy.

³ For example, as put by the West German psychologist, Ingeborg Wendt, in "Understanding the Japanese Mind," *Orient/West*, VIII. 3 (May-June, 1963); her book-length study, *Zen, Japan und der Westen*, is being translated into English.

⁴ Typical was the case of Iwanami, one of Japan's largest and best-known publishing firms, which twisted sharply to the left after the war. Its journal, *Shisō* (Thought), at times appears more Marxist than the official Communist mouthpiece, *Riron* (Theory).

⁵ *Waga shisō no henreki* (Sōbunsha, 1951). All students of Japanese thought are indebted to Gino K. Piovesana, S.J. for his succinct book, *Recent Japanese Philosophical Thought, 1862-1962; A Survey* (Tokyo: Enderle Bookstore, 1963). This even briefer summary relies heavily on his excellent work.

⁶ Piovesana, *op. cit.*, p. 250.

Marxist manners of thought seem to affect even the most academic arguments. Born in Japan and an ex-Harvard professor, Ambassador Edwin O. Reischauer has, as is well known, thrust himself into intellectual controversy in a deliberate attempt to repair the "broken dialogue" between Japanese and American intellectuals. As a professional historian, he has aired some well-founded views on the problem of the modernization of Japan. Pro-Chinese intellectuals promptly assaulted the so-called Reischauer Line, arguing that the Meiji Restoration (1868) was actually an Anglo-French, imperialist machination. Novelist Fusao Hayashi (a former Communist and now allegedly a right-wing thinker) sprang to the defense, denouncing the critics as following the Mao Tse-tung line. Critic Tsuneari Fukuda followed neither strain of thought, contending that the Japanese intellectuals and "masses" were unable to adapt themselves to modernization; and proposing a new look at Japan's modernization as a history of "abnormal adaptability."⁷

Japanese *interi* (meaning almost anyone with a college education, whom the Japanese fondly call "progressive intellectuals") are profoundly influenced by Marxism. More

important, the social critics who write for the relatively small but opinion-molding journals of opinion (like *Sekai*, *Chūō*, *Kōron*, and *Jiyū*) often consciously or unconsciously follow the Marxist outlook.

Amazingly, similar assumptions have crept into government-sponsored social science textbooks for middle and high school students.⁸ World history becomes divided into stages; East-West difficulties are seen as a "struggle" between a "rising socialist" bloc and a declining capitalist" bloc.

Not that Japanese philosophers (many of whom understand the intricacies of Marxist thought) and intellectuals (many of whom do not) alone represent the national mood. Indeed, there is a serious opinion gap between them and conservative government officials and laymen. Based on wishful thinking and preconceptions, their views depart widely from an objective, realistic evaluation of the relative position of Japan within the world.⁹

It was almost inevitable that the postwar Japanese academic world, shattered by defeat and early domination of the field of philosophy by the Marxists, would also turn to existentialism and its pessimistic mood. As Dean Masaaki Kōsaka explained it, the conditioning of man is entirely due to his socio-political environment; and in existentialism, Professor Kōsaka saw proof of the emptiness of modern civilization. In any case, Kierkegaard, Heidegger, and Jasper appeared in Japanese translation. Sartre's existentialism enjoyed a vogue.

Soon leading figures in the movement turned in other directions. Iwao Kōyama, for example, revealed his deep concern for religion in contemporary secularized culture; and in his book, *The Crisis of Morality and the New Ethics* (1954), he expressed dissatisfaction with the ethical tone of the post-war period. After all, he claimed, it rested on an outmoded nineteenth century form of liberalism, or on the undemocratic ethics of communism. Within the same tradition, Keiji Nishitani contributed articles on the social problems of modern man, a learned essay on the nature of evil, and an important book on Nihilism (1949).¹⁰

⁷ The Hayashi viewpoint appeared in his controversial *Chūō Kōron* serial article, "The Greater East Asia War Affirmed," Tsuneari Fukuda, "Japan's Modernization: Abnormal Adaptability," *Bungei Shunjū*, November, 1963.

⁸ *Shakai* (Society) (Tokyo: Chūkyō Shuppan Sha, 1959), for example, the most widely used social studies text in Japanese higher schools.

⁹ This is the bold conclusion expressed by Editor Yoshihiko Seki, "Introduction," *Journal of Social and Political Ideas in Japan*, I. 1 (April, 1963). The first issue of this new journal of translation was devoted entirely to "International Affairs."

¹⁰ Dean Kōsaka is well-known among specialists in America for his contributions to *Sources of Japanese Tradition*, compl. by Tsunoda, deBary, and Keene (New York: Columbia University Press, 1958); his views were expressed in *Seiji jiyū oyobi ummei no kansuru kōsatsu* (Reflection on politics, freedom, and destiny) (Kōbundō Shoten, 1947). Iwao Kōyama treated existentialism in *Risei seishin jitsuzon* (Reason, spirit, and existence); also *Gendai no fuan to shūkyō* (Present anxiety and religion) (Sōbunsha, 1955); and *Dōtoku no kiki to shinrinri* (The crisis of morality and the new ethics) (Sōbunsha, 1954). In "creative nihilism and finitude," Keiji Nishitani sees a fundamental unity which can span East and West, in *Nihirizumu* (Nihilism) (Kōbundō, 1949).

Whether or not one tries to classify all postwar Japanese thinkers in terms of a "split" between the "two camps"—the so-called Kyoto School of idealists and the Tokyo School of Marxist-progressive thinkers—one must be struck by the restless search for identity in contemporary Japanese philosophy. On one front Yasumasa Ōshima, Professor of Ethics at Tokyo University of Education, boldly spoke out on the burning issue of moral education in postwar Japan. For his pains, he was roundly condemned as a reactionary by left wing educators. On another front, Risaku Mutai tried to effect a synthesis of the predominant strains of existentialism and Marxism. Personally suffering from the impact of the war, he has evolved what he calls the Third Humanism. To Mutai the "total man" implies transcendency, that is, a potentiality to overcome the existential and social conditioning of man and to open up new historical perspectives. His vigorous stand against rearmament, his pacifism, has surprised even his friends, who had thought him more conservative.¹¹

Among Western philosophers popular in Japan, Bertrand Russell stands out. There is also an apolitical philosophy of science, centering about the work of Nobel Prize-winning Hideki Yukawa.

At first glance, there seems to be no resemblance between the systematic, and often sophisticated thought processes of Japanese

philosophers and *interi*, on the one hand, and the values of the Japanese middle class, on the other. We have already noted the opinion gap between intellectuals and laymen. There are several reasons for this.

First, the intellectuals themselves—particularly the "progressive intellectuals"—have found it difficult to grasp the significance of the rising middle class in Japan. Professor Kazuo Ōkōchi of Toyko University flatly stated that a situation has developed in Japan no longer explainable by the Marxist dogma, which holds that the middle class must decline. He recognized that there had been a substantial increase in the new middle class, centering around the white-collar worker, but argued that this class had not yet reached the affluency sufficient to use the term, "mass consumers." Some Marxists, like Hajime Tanuma, approached Japanese society in statistical terms, which deny dogma. Nonetheless, Tanuma concluded that the new middle class occupied only a small segment of Japanese society; he argued that it was more important to study the old middle class of farmers, traders and handicrafters. A book by a number of students of Marxism (edited by Professor Eitarō Kishimoto of Kyoto University) argued that Marxism had not grasped the new order of "mass society" (incidentally, itself a by-product of "monopoly capitalism"). The conclusion was, at the same time, that the white-collar worker himself was being estranged. In this point, as we shall see, the students may have been right.¹²

Marxists might well be concerned. In a recent study of class consciousness in Japan it was found that even among respondents who had a working class identification (and were supporters of the Socialists), not more than thirty per cent expressed a wish to remain in the working class. On the other hand, there was a curious dualism in the middle class as well. Young white-collar workers who are well educated—that is, fresh from training at the hands of the *interi*—typically think in the same way as do "progressive intellectuals." Now with relatively low-ranking positions and low salaries, they doubtless will not hold these views later.¹³

¹¹ Yasumasa Ōshima, *Kore kara no rinri* (Ethics for tomorrow (Shibundō, 1953)); Risaku Mutai, *Tetsugaku gairon* (Outline of philosophy) (Iwanami Shoten, 1958).

¹² Kazuo Ōkōchi, *The Japanese Middle Class* (Tokyo: Bungei Shunjū Shinsha, 1960); Hajime Tanuma, "*Toshi chusankaikyū ni okeru sonzai joken no henka* (Changes in factors conditioning the urban middle class)," *Keizai Hyoron*, February, 1962; Eitarō Kishimoto, ed. *The White Collar Worker Today* (Kyoto: Minerva Shobo, 1961); all cited in Notes, "The Middle Class," by Editor Yuzuru Okada, *Jour. Soc. Pol. Ideas in Japan*, I. 2 (August, 1963), Part III.

¹³ *Shakai Genshō Kenkyūkai* (Social Phenomena Study Group), "*Chūkan kaikyū no kōzō to ishiki* (Structure and class consciousness of the middle class)," *Jiyū*, December, 1961; *Nihon Shakai Kōzō Chōsakai* (Research Society on Japanese Social Structure), "*Hōwaitokarā no ishiki kōzō* (Special traits of white-collar workers in large urban areas)," (mimeo., March, 1962); cited in *Jour. Soc. Pol. Ideas in Japan*, loc. cit.

A second reason for caution in generalizing about the middle class (as distinguished from the intellectuals) is that it is difficult to identify its strain of thought or mood. Judging from respondents' answers to questions about the Emperor system, social questions and political issues, "the conclusions are drawn that there is no homogeneity of outlook among members of the middle class, and that there are no strong characteristics exhibited by members of that class which cannot be found among members of other classes."¹⁴

Third, and finally, there is a degree of stability in the new social order of Japan, within which the middle class plays a significant role. Whereas philosophers take a critical or gloomy view, the middle class seems complacent and content. There are, however, within the middle class certain strains of restlessness. Here, too, growth has produced tension. And there is an indirect and subtle connection between the highly articulate criticism advanced by the *interi* and the largely unstated uneasiness of the middle class. Before proceeding to what must be informed guesses, it might be well first to identify the new middle class.

Japan is rapidly emerging from the aura of the exotic, mysterious Orient. Traditional village-centered farm life is crumbling before the intrusive bulldozer hired to build industry. According to the 1960 census, of 31,549,800 males (15 years and over) only 6,885,500 earned a living from primary pursuits: farming, fishing and lumbering. In 1959, it was estimated that the entire non-agricultural labor force was about 28 million. Of this larger figure, white-collar workers not self-

employed numbered (depending on the data selected) anywhere from 5.5 million to 7.3 million. The core of the *howaito-karā* sector is composed of office workers in large enterprises as well as public employees in government bureaus. One estimate placed their average annual income at between 300,000 Yen (\$833) and 600,000 Yen (\$1,666).¹⁵

Most important, more than two-thirds of the group just described *think* of themselves as members of the white-collar class. This new *sarari man* (salary man) is a symbol of "the bright new life": life with some leisure time (to visit the temples of conspicuous consumption, the department stores), with recreation (baseball and *sumo*), with travel (even group flights to Hawaii), with the jerry-built ranch house (a picture window looking out on another picture window), with few binding obligations or rigid formalities. Commuting, the salary man reads pre-digested weekly slick magazines. At home, he watches television. Somewhat apologetically and jokingly, even middle class families now refer to the "Three Imperial Treasures," by which they mean not the ancient jewel, sword, and mirror, but the three latest-model pieces of electrical equipment. In terms of age, education, and vocational mobility, the salary man could conceivably become a member of the managerial stratum. Rather, as Professor Ezra Vogel points out,

For the vast majority of Japanese the life of the salary man seems to represent as high a standard as they can reasonably hope for.¹⁶

The importance of the salary man cannot be overestimated. A national image, as well as the mood of the middle class, is involved. Most white-collar workers are residents of the large metropolitan areas. It must never be forgotten that *one in every ten Japanese* now lives in Tokyo; at least one-fifth of all salary men live there; most salary men were educated there. Tokyo culture is becoming national culture. Within that culture, mass media (particularly television) and advertising are geared to the expectations of the salary man.

The new order, made possible by large, bureaucratic organization and resulting in a

¹⁴ Social Phenomena Study Group, *loc. cit.*

¹⁵ Precise statistics on white-collar workers are not available; estimates depend on how the strata are sliced. Professor Solomon Levine's data—*Non-agricultural labor force*: (1940) 18,291,000; (1944) 19,275,000; (1955) 23,600,000; (1959) 27,810,000; *white-collar workers*: (1940) 3,524,000; (1944) 4,842,200; (1959) 27,810,000—with 1960 Population Census figures are used by Ezra F. Vogel, *Japan's New Middle Class: The Salary Man and His Family in a Tokyo Suburb* (Berkeley & Los Angeles: University of California Press, 1963), p. 6. See also Research Society, "Special Traits," *loc. cit.*, p. 76.

¹⁶ Vogel, *op. cit.*, p. 9.

rationalizing process, can most clearly be identified with the new middle class. Standardization of recruitment, promotion, salary scales, and working conditions are linked with the basic mode of integration of the individual, not through his occupation but through his firm.¹⁷

A NEW ÉLITE

There is a spread of the new order up and also down. The new Japanese élite, at managerial levels of business concerns and at decision-making levels of government bureaus, is made up essentially of high-salary men. Their interests, like those of the lower *howaito-kañā*, are identified with a consensus about the interests of the firm or the bureau. The lives of workers in large, rationalized industry (and even in unions) become increasingly like those of the salary men. Even farmers pool their resources, trade in commodities rather than goods, draw salaries, and live "just like salary men."

With its strong attachments to values of loyalty and of competence, the middle class and its mundane outlook have beyond doubt been a source of great stability, in the face of crisis and rapid social change. It may well contribute, despite repeated predictions of success for the political "renovationists," to the continued dominance of conservative forces in the government of Japan.

But although the outlook of the middle class is conservative, it is by no means simply traditional. Scientifically trained, relatively well-informed, literally heir to currents of thought drawn from all the world, the member of the white-collar class is now suspicious of statements of traditional ideology. To him, Shinto as a religion and even Confucianism as an ethic have been tainted with memories of "feudalism," militarism, and super-nationalism. Modern science is accepted beyond question, and some Western values. *Things*

however, rather than *ideas*; the Tokyo Tower, rather than ancient temples; the Ginza entertainments, rather than Grand Kabuki; Japan's standing in the international sports world, rather than Zen Buddhism—these are the objects of national pride.

Uncertain about what is unique in Japan's heritage, the middle class has adopted no consistent system of thought embodying fundamental beliefs. Not that the middle class avoids discussion of philosophies of life; it argues eagerly, but as though the philosophies had nothing to do with its own convictions.¹⁸ The middle class is then aphilosophical and also unsettled.

Public opinion polls conducted in October, 1963 (prior to the general election of November 21) illustrate the political paradox. In response to the question—Should the Ikeda Cabinet remain in power or should it be replaced?—the increase in replies calling for replacement, as compared with the previous year, was almost 15 per cent. About one-third the respondents wanted it to remain; about forty per cent wanted it replaced; about one in four was uncertain. It was apparent, after the election and return of Premier Ikeda, that many unhappy voters without an alternative continued nevertheless to support the conservative Liberal-Democratic party.¹⁹

DEMOCRACY AND INDIVIDUALISM

Japan's post-treaty political life has flowed on within the confines of the largely United States-inspired constitution (of 1947). Although this too has been a source of stability, such unchanging organic law does not mean a complete understanding of or dedication to democracy by Japanese. Among the middle class, in particular, there is much discussion of individualism (*kojin-shugi*), but almost as though it were an exotic, alien philosophy. It is, in fact, suspect, because it can be used as an excuse for selfishness, which in turn runs directly counter to Japanese values of loyalty to the group.

Uneasiness, not only about mass society, democracy, and the conservative governments, but also about economic growth itself is just beginning to creep into Japanese public

¹⁷ See James G. Abegglen, *The Japanese Factory; Aspects of its Social Organization* (Glencoe, Ill.: The Free Press, 1958).

¹⁸ Vogel, *op. cit.*, pp. 142–3.

¹⁹ Public opinion surveys conducted by *Kahoku Shimpō*, October 19–20, 1963, as summarized in American Embassy, *Daily Summary of the Japanese Press* (Tokyo: mimeo., October 28, 1963).

opinion. Recently the doubling-income policy, by which the Ikeda Government has twice won power, was subjected to general opinion test. About 42 per cent of the respondents in one poll answered that it was good in some respects, bad in others. Almost one-third (32.6 per cent) replied that it was not good. About 16 per cent were not sure. Only 9.5 per cent thought that growth under the Ikeda program was good without qualification. What, asked the pollsters, is the cause of the continued price rise? Almost half responded, "a rising mood" stimulated by the economic growth policy.

Where, pressed the pollsters, do you feel price rises the most? The replies demonstrated beyond question that the cost-of-living squeeze struck directly into the home, in higher prices for perishable foods (78 per cent of the replies), services, room and house rents. Uncertainty and uneasiness were clearly revealed in sample replies.

INTERNATIONAL IDENTITY

So pervasive is the Marxist mode of thought, if not Marxism itself, in Japan; so vocal have been the "progressive intellectuals," that the impatient American observer has tended to jump to the conclusion that Japan is in reality a "committed neutral." Such a hasty conclusion obscures aspects of national mood which have indeed affected Japan's international posture. It has hidden points on which most Japanese are reasonably sure, and points on which they are unsure. So far as they can be understood clearly, most Japanese probably believe that there is more to be gained from close relationships with the West, the Free World, and the United States, than with Russia or China.

Perhaps the most significant point to make here is that in most public opinion polls which touch on foreign policy questions the percentage who answer, "I don't know," is markedly high. (This uncertainty has to do with policy choices, not information, for the

Japanese are among the best-informed in the world.) One survey asked if the respondents knew of the partial test-ban treaty among the United States, the United Kingdom, and the Soviet Union: 45.7 per cent knew the terms well; 16.9 per cent knew of the treaty; 24.4 per cent were aware of the agreement, but not of its contents; only 13 per cent did not know of the treaty. When asked, in another poll, whether the agreement deserved support, 18.5 per cent were satisfied; 14.6 per cent were not happy with the treaty, but thought it the best possible; 31.9 per cent supported it as a step toward a total ban. Of those who opposed the pact, some (2.5 per cent) thought it a camouflage of true American policy; more (4.7 per cent) distrusted the Soviet Union. Some 27.8 per cent were uncertain.²⁰

Wishful thinking may well enter into replies which touch on the possibility of co-existence. To the question—"Do you think the East and the West can co-exist peacefully?"—almost half (47.2 per cent) answered in the affirmative as against almost one-fifth (18.4 per cent) in the negative. About one-third the respondents (33.9 per cent) did not know. When the questioning, however, became more specific, the replies were discriminating:

1. On the question of peaceful co-existence, do you support the U.S.S.R. or Communist China? (U.S.S.R., 14.3 per cent; Communist China, 13.7 per cent; both, 3.4 per cent; neither, 34.7 per cent; do not know, 33.9 per cent).
2. What do you think of diplomacy toward the United States? (Cooperation should be maintained, 21.9 per cent; prefer an independent diplomacy, 36.7 per cent; other replies, 41.4 per cent).²¹

MOOD FOR THE FUTURE

In this attempt to estimate "the national mood" in contemporary Japan, there has been a deliberate playing-down of the highly organized "sources of protest." By this is meant forces of the renovationists on the left—the various socialists, organized workers, and the student groups—and of the virulent ultra-nationalists on the right. Not that both are

²⁰ *Tokyo Shimbun*, November 8, 1963; *Kahoku Shimpō*, October 19–20, as summarized in American Embassy, *loc. cit.*, October 28, 1963.

²¹ *Tokyo Shimbun*, November 8, 1963; *Kahoku Shimpō*, *loc. cit.*

unimportant. They are, within certain contexts, important to mood and posture.

In the first place, the protestants, particularly of the left, have had ample attention since the demonstrations of 1960.²² As a result, it has been all too easy to identify Japanese uneasiness simply with Communists and their machinations or with the lunatic fringe of the radical student movement or both.

Second, there has been an equally glib projection of the total 40 per cent share (nevertheless badly fragmented) commanded by the "progressive" vote to 50 per cent or more (a majority) within a decade. Such projections, which have been repeated ever since the war, overlook the far more significant growth of an apolitical middle class. This floating sector—much like the unpredictable suburbia of the United States—and its mood are far more difficult to track.

Third, the posture of the protestants steadily reveals itself to be uncomfortable, if not ridiculous. One who has resided in a Socialist neighborhood, for example, cannot help but be struck by the air of total unreality. The "subjective view," as the Socialists love to call it, and the "objective situation" are as closely related as the plots of daytime television dramas—in Japan or in America—and real life. The favorite themes seem drawn straight from a caricature of the nineteenth century, and are almost apologetically applied to the dynamic Japan of the 1960's.²³

Finally, with an eye on Japanese history one cannot, of course, entirely dismiss the protest

on the right. Traditional fonts of power (the landlords, aristocrats, militarists, old-style *zaibatsu*) have, however, largely dried up; at present there is some social leakage into the new religions (*shinkō shūkyō*), particularly the politically successful *Sōka Gakkai*. It is significant to note that new sects, in Japan as in any mass society, appeal to the modern *rōnin*, the groupless wanderers in the lonely crowd among migrants to the overcrowded cities, women with marital difficulties, men without secure attachment to a firm, and students who have failed the awesome entrance examinations. Sources of protest on the right, even more than on the left, are on the periphery rather than at the center of modern Japanese life.

TENSION AND HEALTH

Far more significant for the future are the expectations closely linked with the national image of the new order, the bright new life, the life of the salary man within the middle class. These expectations are for the present largely material rather than ideological. The mood of Japan is today understandably restless. Japan has embarked once again on a remarkable period of growth. The really significant questions include these: What sort of mood does rapid growth nourish? If the mood be tense, how much tension can Japan afford, and still remain physically and spiritually healthy both in the kitchen and in the garden?

²² For different, accurate views see Herbert Pasin, "The Sources of Protest in Japan," *American Political Science Review*, LVI. 2 (June, 1962); and edited by Robert Scalapino, special issue, "Japanese Intellectuals Discuss American-Japanese Relations," *Far Eastern Survey*, XXIX. 10 (October, 1960).

²³ The following, for example, are titles of articles chosen at random from recent issues of Press Bureau, Japan Socialist Party, *Japan Socialist Review*: "Problems of the Ninth World Conference and the Socialist Attitude," 43 (August 1, 1963); "New Line of Development of the Peace Movement," 44 (August 15, 1963); "JSP Policy for Mass Movement Policy for the Moment," 47 (October 1, 1963); "Outline of Eight Socialist Policy Lines," 48 (October 15, 1963); "Groundless Big Power Consciousness and the Road to War," 50 (November 15, 1963).

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CURRENT DOCUMENTS

U.S.-Japan Joint Communiqué on Trade

On January 27 and 28, 1964, the Joint United States-Japan Committee on Trade and Economic Affairs held its third meeting in Tokyo. The communiqué, adopted on January 28, 1964, is reprinted here in full:

I.

The third meeting of the Joint United States-Japan Committee on Trade and Economic Affairs was held at Tokyo on January 27 and 28, 1964, under the chairmanship of the Minister for Foreign Affairs, Masayoshi Ohira.

At the outset of its deliberation, the Committee recalled the tragic death of President John F. Kennedy which necessitated the delay in convening the present meeting. Secretary of State Rusk, after expressing the United States delegation's deep appreciation for the sympathy and support of the Japanese Government and people at that sorrowful time, stated that President Lyndon B. Johnson's administration would continue to promote the increasingly close partnership which had developed between the two countries under the leadership of Prime Minister Ikeda and the late President Kennedy.

The meeting was characterized throughout by a recognition on the part of the Committee members that developments in world affairs now demand that the interests and concerns of both countries in trade and economic matters be considered from a global perspective.

II.

After a general review of the world situation in the light of its bearing on trade and economic relations between Japan and the United States, the two delegations had a lively exchange of views on a wide range of subjects. A high degree of mutual understanding was reached on the points which follow:

1. On the basis of the satisfactory economic momentum achieved in both countries in 1963 and the policies in prospect, the Committee looked forward to 1964 as a record year for U.S.-Japan economic exchanges. In view of the fact that any major change in the economic policy or level of business activity of one country may affect the economy of the other, the Committee reaffirmed its agreement that the Japanese and U.S. Governments should exchange information as early and in as much detail as possible on their economic prospects.

2. In both countries, the balance of payments is a matter of basic economic concern. The United States delegation pointed to the marked reduction in the U.S. payments deficit after the first half of 1963 and expressed again the determination of the United States Government to restore equilibrium in its external accounts and to do so in a manner consistent with its international obligations. The Japanese delegation, for its part, expressed serious concern over the effects of the proposed interest equalization tax on Japan's balance of payments and reiterated the position of the Japanese Government that Japan should be exempted from the application of the proposed tax. After full discussion, it was reaffirmed that, in the words of the communiqué of August 2, 1963, "If, contrary to the U.S. expectations, serious economic difficulties were to arise in Japan" the U.S. would consider appropriate measures that might then be taken to meet the problem, including some form of exemption from the proposed interest equalization tax for new issues of securities.

3. The volume of commodity trade between Japan and the U.S. which reached a record level of more than three billion dollars in 1963, is important to employment and to living standards in both countries. In this context, the two delegations pointed out that from time to time there are moves for restrictive measures against trade both in the U.S. and in Japan and expressed the hope that the Governments would deal judiciously with them.

The Committee noted that as trade in large volume continues to flourish between the two countries, some difficulties are likely to arise. It was agreed that it is the task of both Governments to keep in perspective such problems as may arise so that in seeking to meet particular difficulties, care will be exercised to preserve harmonious relations between Japan and the U.S. which are fundamental to a continued healthy growth of trade. It was emphasized that solutions satisfactory to both countries on many of these problems can be expedited through greater mutual understanding of the respective situations in the two countries.

4. The Committee exchanged views on matters pertaining to transportation and tourism between the two countries.

5. The importance of close cooperation between Japan and the United States in international economic affairs was emphasized.

a. The two delegations stressed the vital importance of the forthcoming Sixth or Kennedy round of tariff negotiations at Geneva for the reduction of tariffs and other impediments which now restrict world trade. It was agreed that the two countries would maintain close contact in Geneva and in their respective capitals to study the possibilities of achieving the maximum practicable reduction of both tariff and non-tariff barriers to both industrial and agricultural products on a fully non-discriminatory basis.

b. With regard to the United Nations Conference on Trade and Development which will convene in Geneva in March, it was agreed that the U.S. and Japanese delegations would cooperate in promoting prac-

ticable ways to increase the export earnings of the developing countries. Concerning the institutional questions likely to arise at the Conference, the Committee reaffirmed the conviction of both countries that the General Agreement on Tariffs and Trade (GATT) is an indispensable means for the further expansion of world commerce. It was also anticipated that existing institutions of the United Nations could usefully assist in this vital work.

c. With regard to the Organization for Economic Cooperation and Development, the Committee looked forward to Japan's early accession and to the prospects for close cooperation between the United States and Japan in all the activities of that body.

d. In view of the continued and increasing need for assistance to the developing countries, the Committee noted the U.S. and Japanese aid efforts and reaffirmed the desirability of closer bilateral and multilateral coordination of aid. The U.S. delegation noted the high level of aid which it would be extending and stated that its ability to sustain or increase this effort would be influenced by the degree to which other donor countries contributed to the common effort. It also pointed to the necessity of donors achieving greater comparability and liberalization of lending terms. The Japanese delegation explained its aid efforts and policies and stated Japan's intention to further strengthen its aid efforts in accordance with its capabilities. The contribution and importance of private investment and technical assistance to the development process was also noted.

III.

The Committee exchanged frank views on trade with the Communist nations. The Japanese delegation explained that it was Japan's policy to carry out its trade with Communist countries on a commercial basis, in accordance with the principle of separating the political and economic aspects of Japanese relations with countries of the Communist Bloc and acting in consonance with the practices of Free World countries. The U.S.

delegation explained why the United States has no economic relations with Communist China. The recent U.S. sale of wheat to the Soviet Union was discussed. The U.S. also set forth the strategic reasons for its own economic embargo of Cuba, expressing its hope for cooperation from its friends in this respect.

IV.

The Committee agreed that both countries could benefit from new government-to-government exchanges of technical personnel and research findings in the area of human and natural resources. Officials from Japan and the United States will meet at an early date to discuss procedures through which this agreement can be carried forward. It was foreseen that cooperation in such a program would usefully complement the work of the U.S.-Japan Committee on Scientific Cooperation which is concerned primarily with pure rather than applied science.

V.

The Committee noted progress made in dealing with international fisheries problems of concern to both Japan and the United States. Both countries undertook to make further efforts to seek solutions satisfactory to all the countries concerned.

VI.

The Committee expressed the unanimous

view that annual meetings of the U.S.-Japan Committee on Trade and Economic Affairs had proved to have great value. Both delegations looked forward to an exchange of views and consultation on policies at its next meeting.

VII.

Japan was represented by Masayoshi Ohira, Minister for Foreign Affairs; Kakuei Tanaka, Minister of Finance; Hajime Fukuda, Minister of International Trade and Industry; Takeo Ohashi, Minister of Labor; Kentaro Ayabe, Minister of Transportation; Kiichi Miyazawa, Director General of the Economic Planning Agency; and Yasumi Kurogane, Chief Cabinet Secretary. Ryuji Takeuchi, Japanese Ambassador to the United States, as well as Takio Oda, Deputy Vice-Minister for Foreign Affairs and other advisers from the various ministries concerned, also were present.

The United States was represented by Dean Rusk, Secretary of State; Luther H. Hodges, Secretary of Commerce; W. Willard Wirtz, Secretary of Labor; Walter W. Heller, Chairman of the President's Council of Economic Advisers; James K. Karr, Under Secretary of the Interior; Charles S. Murphy, Under Secretary of the Treasury. Edwin O. Reischauer, United States Ambassador to Japan, Robert Manning, Assistant Secretary of State for Public Affairs and advisers from the several departments concerned were also present.

The Twenty-Fourth Amendment

On August 27, 1962, Congress submitted to the states the 24th Amendment to the Constitution, making it illegal to require the payment of a poll tax to qualify to vote in a federal election. The amendment became effective on January 23, 1964, when South Dakota completed ratification action. South Dakota was the 38th state to approve the amendment, which needed the approval of three-fourths of the states. The complete text follows:

Section 1. The right of citizens of the United States to vote in any primary or other election for President or Vice President, for electors for President or Vice President, or for Senator or Representative in Congress, shall

not be denied or abridged by the United States or any State by reasons of failure to pay any poll tax or other tax.

Section 2. The Congress shall have power to enforce this article by appropriate legislation.

BOOK REVIEWS

ON JAPAN

AMERICA ENCOUNTERS JAPAN, FROM PERRY TO MACARTHUR. BY WILLIAM L. NEUMANN. (Baltimore: Johns Hopkins Press, 1963. 313 pages, bibliographic essay and index, \$6.50.)

One hundred years of United States diplomacy in Japan are reviewed critically by Professor William Neumann of Goucher College, who explores American policies toward Japan from the "opening up" of Japan to the end of World War II. Neumann believes that "it is very probable that a wise policy could have avoided war with Japan without national humiliation and surrender of vital national interests." Equally controversially, he believes that "Wise policy ought also to have been able to avoid the state of near war, the breakdown of political and economic relations with China after 1949." The study is enriched by full bibliographical notes.

PEACEMAKING AND THE SETTLEMENT WITH JAPAN. BY FREDERICK S. DUNN. (Princeton: Princeton University Press, 1963. 204 pages and index, \$5.00.)

Described as "an analytic case study of American decision making," this book by the late Professor Frederick Dunn illuminates the complex process of policy making. As Professor Dunn pointed out in his introduction, "Peace-making, like war-making, is a series of decisions made by identifiable human beings acting in various capacities . . . decision-making in public affairs is a very complex operation and is hampered by many obstacles." This discussion of the evolution of American policy toward Japan offers valuable insights for the student, the diplomat, and the voting citizen.

TWO JAPANS. BY MARION M. DILTS. (New York: David McKay, 1963. 223 pages, notes and index, \$4.95.)

This is a readable, general history of Japanese culture and politics, by an author who is interested in two Japans: Japan emerging from isolation, and Japan as a member of the world community, a Japan which still "has its conservative counterpart." As the author sees it, "two Japans continue to exist, in tension, in the present." This is a colorful account that should appeal to high school students as well as to adults. Illustrations add interest.

PATERNALISM IN THE JAPANESE ECONOMY. ANTHROPOLOGICAL STUDIES OF OYABUN-KOBUN PATTERNS. BY JOHN W. BENNETT AND IWAO ISHINO. (Minneapolis: University of Minnesota Press, 1963. 249 pages, appendices, notes, bibliography and index, \$6.50.)

The term *oyabun-kobun*, describing a system of human relationships in Japan, is a term impossible to translate, with an implication of feudal, paternalistic and traditional ties. The case studies in this book were undertaken by the Public Opinion and Sociological Research Division of the American occupation authority in Japan. As anthropological studies, they are highly technical and should prove valuable to students of contemporary Japanese culture.

THE MODERN HISTORY OF JAPAN. BY W. G. BEASLEY. (New York: Frederick A. Praeger, 1963. 319 pages, notes, bibliography, maps and index, \$7.50.)

This scholarly and detailed history covers the period from the early nineteenth century to 1960. Maps and photographs add to the value of this text. T.H.B.

ON THE FAR EAST

TA TA, TAN TAN. BY VALENTIN CHU. (New York: W. W. Norton & Company, 1963. 320 pages and index, \$4.95.)

Most entertainingly written in the best *Time* style, the author who was a well known Chinese newspaperman in Shanghai until 1949 gives his version of what has happened on the Mainland since his departure. Given his premises, it is questionable that his contribution to our understanding of these events can approximate his amusement value. The mystery is how the regime has survived the conditions he paints.

John F. Melby
University of Pennsylvania

CHINA AND CHRISTIANITY: THE MISSIONARY MOVEMENT AND THE GROWTH OF CHINESE ANTI-FOREIGNISM, 1860-1870. BY PAUL A. COHEN. (Cambridge: Harvard University Press, 1963. 381 pages and index, \$7.00.)

The importance of anti-foreignism in Chinese history—indeed in contemporary China—is so evident that it requires no elaboration. What is required instead is the understanding of its nature, the forms it took, and the factors that helped to shape its growth. Paul A. Cohen makes a major contribution toward this end.

Cohen's thesis is that the missionary movement played a decisive role in popularizing and in activating nineteenth-century Chinese anti-foreignism. He proceeds to prove this thesis by tracing the tradition of anti-Christian thought from the early seventeenth century and by probing into the gentry-instigated anti-missionary riots and the treatment of debilitating political problems by the Chinese officials. The mere fact of the missionaries' presence in the Chinese interior and the manner in which they made their presence felt provided ammunition to traditionally xenophobic gentry. Authorized and unauthorized "gunboat protection" of the missionaries by British and French officials at the scene only intensified anti-foreignism, and the acts of "incredible folly" committed by a French consul in Tientsin resulted in the catastrophic

Tientsin Massacre (1870). Cohen's analysis of a source of Chinese xenophobia based on a wide range of Chinese and foreign sources deserves close attention.

Chong-Sik Lee
University of Pennsylvania

AMERICA'S FAILURE IN CHINA. BY TANG TSOU. (Chicago: University of Chicago Press, 1963. 614 pages and index, \$12.50.)

This book is about as close as we are ever likely to come to the definitive explanation of what happened in China and where the United States fits into the picture. The basic thesis, supported by impressive and painstaking scholarship, is that the United States, beginning with the Open Door Notes, defined its objectives in China as the independence, territorial integrity, and equality of opportunity for all. But, with the exception of the war against Japan, it was unwilling or unable to apply the force necessary to achieve its objectives. At the same time, it has refused to change its objectives to conform to its willingness or ability to act. Consequently, failure has been inevitable.

John F. Melby
University of Pennsylvania

BURMA'S FOREIGN POLICY: A STUDY IN NEUTRALISM. BY WILLIAM C. JOHNSTONE. (Cambridge: Harvard University Press, 1963. 339 pages, appendices, notes and index, \$7.50.)

Though Burma is one of the most important neutralist countries in Southern Asia, there have been few systematic studies of its foreign policy. Professor Johnstone of Johns Hopkins University has provided us with a comprehensive, penetrating analysis of Burma's foreign policy since 1948. He has astutely examined the underlying determinants of Burmese policy, and traced "their translation into action in a changing domestic and international environment over the fourteen years since independ-

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JAPAN'S POSITION IN TRADE

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agriculture means high price supports and protection from imports, resulting in high domestic food prices. High food costs eventually lead to higher wages for urban workers. Higher wages, unless accompanied by greater increases in productivity, raise unit costs. Higher industrial costs are accompanied by higher prices for the product and reduce competitive advantages in world markets, thereby lowering exports. Lower exports, particularly when they are a sizeable component of total sales, act as a brake on domestic industrial output and investment and arrest economic growth. This highly interdependent condition sharpens the horns of the dilemma for Japan and West Germany.

The rational economic solution to this problem—free imports of food—could mean political suicide. At the same time, continued protection of rural interests could seriously sap economic strength. Fortunately for Japan and West Germany, the other industrial members of G.A.T.T. are equally unprepared to accept economic rationalism. As a result, it is likely that temporary measures will prevail until a long-run solution of the problem of agriculture takes place by movement of sufficient farm population to the cities. Japan is faced with the question of whether she can afford the cost of industrial growth while waiting for the long-run solution to occur.

In summary, Japan's rate of economic growth and expansion of external trade over the last decade have been spectacular. As a consequence, significant changes in the nature of her trade and in trading partners have occurred. Japanese export success is the product of a favorable cost-price relationship resulting in a competitive advantage in world markets, despite discrimination against her products. The quota system for cotton textile exports devised by the United States is but one example of restrictiveness against Japan. The Common Market countries have not fully extended most-favored-nation treatment to Japan, in violation of their agreement under G.A.T.T., and practice discrimination against

Japanese products in a variety of ways. Japan has followed a protective policy in agriculture and only in the last few years has it taken steps to liberalize its restrictions against industrial imports.

In the approaching "Kennedy Round" of G.A.T.T. negotiations, it is likely that Japan will succeed in reducing discrimination against her products but only in return for painful concessions on her part. The problem of protected agriculture by industrial nations is unlikely to reach rational economic solution at the G.A.T.T. meetings, hence Japan will be forced to a decision on her own. Japan's faith in the G.A.T.T., despite its weaknesses, is not misplaced, however, since it remains the sole international body dedicated to rational use of world resources and expansion of trade on a multilateral, non-discriminatory basis.

FACTIONAL POLITICS IN JAPAN

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rect proportion to the heightening or lessening of international tension.

On domestic policy issues there is also a seemingly irreconcilable ideological conflict between the generally capitalist-oriented L.D.P. and the Socialists. Here, too, however, it is becoming apparent that the area of consensus is broadening. It has been nearly four years since the Diet was the scene of really wild disorders and they occurred in relation to a foreign policy issue, the Japan-United States Security Pact.³

Certainly, the parliamentary process does not always function smoothly in the Diet. The behavior of Dietmen also is not always exemplary and it is still possible to assert that the Diet's power in the determination of public policy is considerably less than that

³ For a detailed discussion see Robert A. Scalapino and Junnosuke Masumi, *Parties and Politics in Contemporary Japan* (Berkeley: University of California Press, 1962) pp. 124-153. This excellent book contains a wealth of information and analysis. It is highly recommended for students desiring to delve more deeply into Japanese politics. Also recommended are the following paperbacks: Ardath Burks, *The Government of Japan* (New York: Crowell, 1961); John M. Maki, *Government and Politics in Japan* (New York: Praeger, 1962); and Theodore McNelly, *Contemporary Government of Japan* (Boston: Houghton Mifflin, 1963).

exercised by the bureaucracy and the cabinet. Yet, on the basis of extensive interviews of Dietmen conducted last summer by this writer, the tentative conclusion was reached that the Diet's performance is improving and that a larger degree of consensus can be noted concerning the possibility of settling political problems within the framework of parliamentarism. Should these trends continue, Japan will have taken a substantial step in the direction of creating an integrated and open political system in an Asian setting.

BOOK REVIEWS

(Continued from page 242)

ence." His focus is "upon that complex of concepts, attitudes and actions described generally as a policy of 'neutralism.'"

The study reflects not only careful investigation of all available published materials, but also extensive interviewing and first hand observations in Burma itself. After a lengthy and informative introductory chapter, the author develops the chronological evolution of Burmese "neutralism" in three subsequent chapters. Two other chapters deal with "Burma's Relations with Communist China" and "Burma's Participation in the United Nations." His discussion of the bases of Burma's policies in international organizations is an outstanding contribution and should be widely read, if only to place the role of the neutralists in perspective.

His final assessment bears attention: "In the final analysis, and in the light of this study of Burma's foreign relations it would appear that neutralism as presently defined in policy and action is less than a viable policy. More and more it appears to lead a small, weak, ex-colonial nation toward the fatal entrapment of dependency upon the Communist bloc . . . neutralism as a foreign policy for a small, ex-colonial nation is inconsistent with true independence in foreign affairs, since in the present state of world politics, neutralism has lost almost all the connotations of 'impartiality' which the word 'neutrality' implied before 1939."

JAPAN AND CHINA

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Japan's decision in this respect will be determined by its national interest, and it is difficult to see what Japan could gain by precipitous action. Domestic pressures for neutralism, with all their effects on internal stability and on Japan's relations with the United States, would increase. The potential economic gain, if any, would be slight compared to the potential loss. It seems more likely, therefore, that Japan will act only after having assured itself of the international trend and after full consultation with the United States, its principal ally.

But irrespective of Japanese recognition of the Peking regime in the near future, the larger question of Japan's long-range relations with China remains. In studying Japan's recent history, one concludes that Asia and China will probably loom less large on the Japanese horizon as time goes by. It is not by chance that the most fervent supporters of a rapprochement with Communist China and those Japanese who passionately advocate full support for the Nationalists are now men in their late sixties or even seventies who grew up in a Japan that was deeply involved in Asian affairs. The generation that is now ruling Japan already lacks its elders' emotional commitment to Asia. And the young Japanese live materially and spiritually in a world that is most definitely not Asian. Japan has outgrown its original frame of reference. Today it is looking outward.

This is not meant to say that neighboring China will not continue to play an important role in Japanese thinking and policies. But it will be only one factor. This will be particularly true if China should continue under Communist rule. In fact, as Chinese and Japanese power grow, there would seem to be in Southeast Asia, Korea and elsewhere more opportunities for competition between the two countries than for cooperation—at least as long as Western policy continues to offer Japan sufficient incentives for an alignment with the non-Communist nations:

THE MONTH IN REVIEW

A CURRENT HISTORY Chronology covering the most important events of February, 1964, to provide a day-by-day summary of world affairs.

INTERNATIONAL

Berlin Crisis

Feb. 13—The East German press office announces an offer to allow West Berliners to visit East Berlin during the Easter season. The East Germans propose an arrangement similar to that of December, 1963.

Feb. 27—The West German and East German governments issue separate statements announcing that they have failed to reach agreement on Easter passes.

Disarmament

Feb. 11—At the Geneva disarmament conference U.S. delegate William Foster tells the 17-nation disarmament conference that the U.S. cannot accept the Soviet proposal for the early liquidation of submarine-based missiles because it would weight the nuclear balance of power in favor of the Soviet Union.

Feb. 13—Foster asks the Soviet Union to join with the U.S. to transfer stockpiled fissionable materials to peaceful uses and to reduce the production of fissionable materials.

Feb. 18—The Soviet delegate, Semyon K. Tsarapkin, tells the disarmament conferees that the U.S. plan to freeze the number of nuclear long-range carriers is not far-reaching enough. He criticizes U.S. unwillingness to consider the Soviet plan that each side retain "a strictly limited number of missiles" only.

European Economic Community (Common Market)

Feb. 11—Finance ministers from the Common Market member states end a 2-day conference; they agree to try to harmonize conflicting tax systems among the members.

Feb. 14—It is reported that U.S. officials, in replying to a Common Market proposal on tariff reductions, have informed the Com-

mon Market that anything less than a 50 per cent cut on almost all tariffs will not be acceptable. Otherwise the U.S. warns that it may call off the round of negotiations scheduled for May.

Feb. 21—It is reported that at a meeting last night of the executive commission, France vetoed accreditation to the Common Market for Nationalist China.

Latin America

Feb. 5—The third annual meeting of the Pan American Inter-Parliamentary Conference opens in Washington, D. C.

Nordic Council

Feb. 21—The Nordic Council ends its twelfth annual meeting.

Organization of African Unity

Feb. 12—An emergency session of the O.A.U. meets in Tanganyika to consult on restoring internal security there; the conference also decides to discuss the Ethiopian-Somalian border conflict. (See also *British Commonwealth, Tanganyika*; and *Ethiopia*.)

Feb. 24—Nigerian Prime Minister Sir Abubakar Tafawa Balewa addresses 34 foreign ministers attending an O.A.U. meeting in Lagos.

Southeast Asia Treaty Organization (Seato)

Feb. 19—Konthi Supramongkhon, Thai representative to Seato, is named Secretary-General, succeeding Pote Sarasin; Sarasin resigned in December, 1963.

United Nations

(See also *British Commonwealth, Cyprus*; *Cuba*; and *Ethiopia*.)

Feb. 3—Pakistani Foreign Minister Zulfikar Ali Bhutto asks the U.N. Security Council

to prevent India from possibly annexing Kashmir.

Feb. 17—The Security Council suspends debate on Kashmir at the request of Bhutto, who leaves for Pakistan.

ALGERIA

Feb. 20—President Ahmed Ben Bella announces that Algeria and Morocco have signed a cease-fire agreement terminating their border war.

AUSTRIA

Feb. 26—Negotiations are held on forming a new Socialist-Conservative coalition government, following the resignation earlier this week of Chancellor Alfons Gorbach.

BRAZIL

Feb. 3—President João Goulart orders federal lands in the Rio Doce Valley to be distributed to landless peasants; the peasants have threatened to attack landed estates.

Feb. 22—Goulart signs a decree doubling the minimum wage scales.

BRITISH COMMONWEALTH

Ceylon

Feb. 27—Chinese Communist Premier Chou En-lai arrives in Ceylon for a 3-day visit; he is greeted by Prime Minister Sirimavo Bandaranaike. The 2 leaders will discuss the Chinese-Indian border dispute.

Cyprus

Feb. 4—Archbishop Makarios, President of Cyprus, on considering the U.S.-British formal proposals for an international peace force, accepts them in principle; Makarios states that the peace force must be responsible to the U.N. Security Council. Fighting erupted in December, 1963, between the Greek Cypriote majority and the Turkish Cypriote minority when Archbishop Makarios suggested constitutional changes to limit Turkish Cypriote minority rights.

Feb. 7—In letters to U.S. President Lyndon Johnson and heads of state of other NATO powers, Soviet Premier Nikita Khrushchev

warns that interference in internal Cypriote affairs may threaten "general peace."

Feb. 9—U.S. Under Secretary of State George W. Ball arrives in London for talks on the Cyprus situation. (See also *U.S. Foreign Policy*.)

Feb. 10—British Prime Minister Alec Douglas-Home leaves for Canada to discuss the Cyprus situation.

Feb. 12—U.S. Under Secretary of State Ball and British Under Secretary of State for Commonwealth Relations Cyril Pickard confer in Nicosia for 4 hours with Makarios; they present a plan to establish a peace force in Cyprus with a "link" to the U.N. Security Council.

Fighting continues for the second day in Limassol between Turkish and Greek Cypriotes.

Feb. 13—Makarios states that the British-U.S. peace plan for Cyprus is unacceptable and that he will take the matter to the U.N. Security Council.

Feb. 14—The British request that the U.N. Security Council meet to take up the problem of establishing an international peace force to restore order in Cyprus. Cyprus asks that the Security Council meet to consider a possible invasion by Turkey in defense of the Turkish Cypriote minority.

Feb. 18—At the Security Council debate on Cyprus, Cypriote Foreign Minister Kyprianou asks the Security Council for a resolution guaranteeing the independence and territorial integrity of Cyprus; the resolution would supersede the 1960 treaty.

Feb. 19—At the U.N., U.S. Ambassador Adlai Stevenson urges that Britain, Turkey, Greece and Cyprus confer in consultation with the U.N. Secretary-General. Britain, Greece and Turkey signed the 1960 treaty guaranteeing the Cypriote constitution and empowering each to intervene in Cyprus.

Feb. 24—Reliable sources disclose that U.N. Secretary General U Thant has reached an impasse in efforts to establish a peace-keeping force on Cyprus.

The 6 elected members of the U.N. Security Council meet to find a way out of the deadlock.

Feb. 27—Sir Patrick Dean, the British representative, tells the U.N. Security Council that Britain will not keep troops in Cyprus unless there is a "prospect of an international force" or of a solution to Cypriote problems.

Feb. 29—Greek Premier George Papandreou, in a radio broadcast, demands that the treaties granting Cypriote independence be revised "in conformity with the principles of international justice."

Ghana

Feb. 2—It is reported that in the national referendum on making Ghana a one-party state (held last week), 99.9 per cent of the voters approved absolute powers for the Convention People's party headed by President Kwame Nkrumah.

Feb. 4—Ghanaian demonstrators march in front of the U.S. Embassy in Accra and demand that Americans go home.

Feb. 6—U.S. Ambassador William P. Mahoney leaves Ghana for consultations in Washington.

Feb. 7—The Foreign Affairs Ministry issues a statement denying it is responsible for the anti-American incidents and expressing the Government's regrets.

Feb. 8—Over 2,000 members of the C.P.P. march on the University of Ghana campus at Legon in an anti-American demonstration. The Ghana radio reports that 4 American and 2 other foreign teachers have been deported for engaging in subversive activities.

Feb. 18—Parliament approves a constitutional amendment to make Ghana a one-party state.

Great Britain

(See also *British Commonwealth, Cyprus*.)

Feb. 4—British Secretary of State for Air Hugh Fraser announces that Britain's 200 nuclear V-bombers have been successfully modified so that they can fly at low levels for long distances.

Feb. 6—It is announced that Britain and France have agreed to construct a railroad tunnel under the English Channel.

Feb. 13—In a white paper, the Government affirms its intent to maintain an independent nuclear deterrent and announces a record peacetime \$5.5 billion defense budget.

Feb. 14—A spokesman announces that 2 merchant banks are negotiating a \$200 million long-term credit for the Soviet Union for a polyester fiber factory.

Prime Minister Douglas-Home returns to London after talks in Canada and the U.S. (See also *U.S. Foreign Policy*.)

Feb. 26—Minister of Defense Peter Thorneycroft discloses British plans to build 5 Polaris submarines.

Feb. 27—The bank rate is raised from 4 to 5 per cent by the Government.

India

Feb. 22—A 3-day fast by some 50,000 workers in several Indian towns and cities ends. The fast is to protest rising prices and lagging wages.

Malaysia, Federation of

Feb. 5—Talks open in Thailand on the Malaysian situation, attended by the foreign ministers of the Philippines, Indonesia and Malaysia.

Feb. 6—The Foreign Ministers of Malaysia, the Philippines and Indonesia send separate notes to U.N. Secretary General U Thant advising him that they have asked Thailand to police a cease-fire along the Malaysian-Indonesian frontier. The Philippines claim part of Sabah and Indonesia opposes Malaysia.

Feb. 10—The 3 foreign ministers end their conference.

Feb. 17—Indonesian Foreign Minister Subandrio declares that Indonesian guerrillas who have infiltrated into the Malaysian territories of Sabah and Sarawak will not be ordered to withdraw until the Malaysian question has been settled. (See also *Indonesia*.)

Feb. 23—It is reported that Malaysia has designated Sarawak and Sabah as an air defense identification zone and has warned that it will intercept Indonesian planes

dropping supplies to guerrilla bands.

Feb. 24—The Malaysian Cabinet, meeting for an emergency session, agrees to ask Thailand to call another meeting of Indonesian, Philippine and Malaysian foreign ministers shortly; the new meeting is to consider the withdrawal of Indonesian guerrillas from Malaysian territory.

Pakistan

Feb. 17—The U.S. announces a gift to Pakistan of corn, wheat, butter and milk worth \$9 million.

Feb. 18—Chinese Communist Premier Chou En-lai arrives in Pakistan for an 8-day visit.

Feb. 23—In a joint communiqué, Communist China supports Pakistan's proposal that Kashmir be allowed to choose its own allegiance in a referendum; both India and Pakistan lay claim to Kashmir.

Tanganyika

Feb. 12—Addressing an emergency session of the Organization of African Unity called to discuss Tanganyika's internal security problems following the army mutiny on January 20, Tanganyikan President Julius Nyerere asks for African help in maintaining order; he terms the presence of British troops in his country a "national humiliation."

Feb. 13—It is reported that Tanganyika has asked Algeria, Ethiopia and Nigeria to send troops to Tanganyika, to replace British forces.

The Council of Ministers of the O.A.U. recommends that African soldiers replace British troops.

Zanzibar

Feb. 16—It is reported that in the capital city of Zanzibar, some 45,000 persons participated in a march in support of the new revolutionary government, which seized power on January 12, 1964. The President of the Revolutionary Council, Sheik Abeid Amani Karume, addresses the demonstrators.

Feb. 23—The U.S., Britain and 6 other Commonwealth countries recognize the new government of Zanzibar.

BULGARIA

Feb. 20—In Moscow, Premier Todor Zhivkov signs an agreement whereby Bulgaria will receive long-term credits totalling \$333 million.

BURMA

Feb. 14—Communist Chinese Premier Chou En-lai arrives in Burma for a "friendly visit."

CAMBODIA

Feb. 8—Prime Norodom Sihanouk, chief-of-state, in a cablegram to U.S. President Johnson, charges that the U.S. has a "great responsibility" for the alleged South Vietnamese attack on a Cambodian village on February 4. He asks the U.S. to finance truce observation posts along the Cambodian-South Vietnamese border.

Feb. 11—Sihanouk urges that an international conference be held to guarantee Cambodia's neutrality.

Feb. 19—Sihanouk suggests that Thailand, South Vietnam and the U.S. sign an agreement to neutralize Cambodia.

CHINA, PEOPLE'S REPUBLIC OF (Communist)

(See also *British Commonwealth, Ceylon.*)

Feb. 3—It is reported that Chinese Communist Premier Chou En-lai, in an interview with Edgar Snow (an American writer on China) in January, 1964, disclosed a Sino-Soviet agreement to negotiate disputed border territories.

Feb. 4—An editorial in *Hung Chi* (ideological journal of the Central Committee of the Chinese Communist party) criticizing Soviet-American relations is reprinted by *Jenmin Jih Pao* (official C.C.P. organ). The editorial condemns Soviet revisionism and it also charges that the Soviet Union and the U.S. are collaborating in a plan to dominate the world.

Feb. 5—Premier Chou En-lai returns home after a 7-week goodwill trip to 10 African nations.

Feb. 23—Sung Chih-kuang, a chargé d'affaires, arrives in France as the first diplo-

matic representative from Communist China, following French recognition of Peking in January. (See also *France*.)

Feb. 25—Diplomatic sources report that Chinese and Soviet officials are consulting on ending their border disputes.

CONGO, REPUBLIC OF THE (Brazzaville)

Feb. 7—In Brazzaville anti-government rioters demonstrate; they are repulsed by police using tear gas. It is reported that the demonstration occurred when supporters of ousted President Fulbert Youlou tried to remove him from prison.

CONGO, REPUBLIC OF THE (Leopoldville)

Feb. 4—It is reported that the guerrilla revolt in Kwilu is spreading and that 2 villages northwest of Kikwit, the province's capital, have been set on fire.

Feb. 23—Rescued survivors report that in a guerrilla attack on a Roman Catholic mission yesterday, 2 Belgian teachers were killed.

CUBA

(See also *U.S. Foreign Policy*.)

Feb. 3—It is reported that U.S. Coast Guard cutters seized 4 Cuban fishing boats found off the Dry Tortugas within U.S. territorial waters. The vessels are taken to the naval base at Key West, Florida.

Feb. 4—Cuban Foreign Minister Raul Roa condemns the U.S. seizure; he denies that the boats violated U.S. waters.

Feb. 5—The U.S. government gives the state of Florida custody of the Cuban vessels and crews; fishing without a license in Florida waters is punishable under a state law.

Feb. 6—In retaliation for the fishing episode, Cuban Premier Fidel Castro announces that the water supply for the U.S. naval base at Guantanamo will be shut off except for one hour each day.

Feb. 7—U.S. President Lyndon Johnson orders that the 2,500 Cubans working on Guantanamo agree to live there or to spend their wages on the base; otherwise they will

be discharged. A statement issued after President Johnson meets with his advisers announces that Guantanamo will develop an independent water supply.

In answer to Cuban charges addressed to the U.N. Security Council earlier this week, the U.S. denies that its interception of the fishing boats was an "act of piracy."

Feb. 19—A Florida court finds the captains of the 4 fishing boats guilty of violating Florida waters; they are fined \$500 each with suspended sentences. The Czechoslovak Embassy, representing Cuba in the U.S., pays the fines.

Feb. 20—The 4 Cuban fishing vessels depart.

Feb. 24—It is reported that in an interview yesterday, Premier Castro stated that the recovery of the Guantanamo base "is not an urgent question."

Feb. 26—Minister of Industry Ernesto Che Guevara declares that industrial investments will be reduced to allow for more production of consumer items.

DENMARK

Feb. 21—Premier Jens Otto Krag, on a state visit to the U.S.S.R., says that he hopes to increase trade with the Soviet Union.

ETHIOPIA

Feb. 6—An emergency session of the Cabinet convenes following Somali attacks along the Ethiopian-Somali border.

Feb. 9—Replying to letters from the Ethiopian and Somali governments informing the U.N. of the border conflict, U.N. Secretary General U Thant urges the 2 nations to end aggressive activities.

Feb. 14—The Organization of African Unity appeals for an immediate cease-fire in the Ethiopian-Somali conflict.

Feb. 16—Ethiopia reports that 2 hours after a cease-fire went into effect today, Somali troops attacked 2 Ethiopian border towns.

FRANCE

(See also *Int'l, European Economic Community; and China*.)

Feb. 2—The Socialist party nominates Gaston

Defferre for the presidency; the election is not scheduled until late 1965.

Feb. 4—It is revealed that France has issued a formal statement to almost 100 countries notifying them that French recognition of Communist China does not imply recognition of Communist East Germany.

Feb. 10—Nationalist China announces that it is cancelling diplomatic relations with France. Last month General de Gaulle recognized the Communist China regime.

Feb. 12—Claude Chayet, French diplomat, is appointed chargé d'affaires in Peking.

Feb. 15—A 2-day meeting between French President Charles de Gaulle and West German Chancellor Ludwig Erhard ends. A communiqué is issued in which the 2 leaders express agreement on coordinating their economic aid to Latin America.

Feb. 19—Italian President Antonio Segni begins a 4-day visit; he confers with de Gaulle.

Feb. 26—The government announces that the 1965 election campaign will last for 2 weeks; only at that time will candidates be allowed television and radio time on the government-operated radio and television networks.

GABON

Feb. 18—A revolutionary committee of 4 army officers stages a bloodless coup. President Leon Mba is forced to resign.

Feb. 19—French troops, acting under a French-Gabonese pact of May, 1961, oust the rebel government.

Feb. 20—President Leon Mba returns to power. It is reported that Mba has promised the French that he will permit opposition candidates to run in the elections to the National Assembly scheduled for February 22.

Feb. 23—Mba orders National Assembly elections postponed until April; he also dissolves his Cabinet.

GERMANY, FEDERAL REPUBLIC OF (West)

(See also *France*.)

Feb. 16—At a special congress of the Social

Democratic party, West Berlin Mayor Willy Brandt is elected Party leader and the Party's candidate to run against Chancellor Ludwig Erhard in the national elections scheduled for 1965.

GREECE

(See also *British Commonwealth, Cyprus*.)

Feb. 16—Greek national elections are held.

Feb. 17—The Center Union party led by George Papandreou receives over 2.2 million votes (with 90 per cent of the votes counted). The C.U.P.'s closest rival, the National Radical Union, wins over 1.4 million votes.

Feb. 19—George Papandreou is sworn in as premier.

Feb. 20—By royal decree, Crown Prince Constantine is appointed Regent during the illness of his father, King Paul. The King is scheduled to undergo surgery for a stomach ulcer.

Feb. 21—It is announced that King Paul's operation has been successful.

INDONESIA

(See also *British Commonwealth, Malaysia*.)

Feb. 2—The government news agency reports that Indonesia will seize business concerns linked to Britain.

Feb. 27—Talks on Malaysia between Indonesian President Sukarno and Philippine President Diosdado Macapagal are terminated.

IRAQ

Feb. 10—President Abdel Salam Arif and the Kurdish rebel leader, General Mustafa al-Barzani, announce a cease-fire agreement ending the Kurds' fight for autonomy. Arif signs a proclamation recognizing "the national rights of the Kurds within one Iraqi national union."

ISRAEL

(See also *U.S. Foreign Policy*.)

Feb. 9—Premier Levi Eshkol offers to share the results of research on desalting sea water with the rest of the world, including the Arab countries.

ITALY

(See also *France*.)

Feb. 5—It is announced that Italy and the U.S.S.R. have signed a trade pact whereby they will increase their trade to \$400 million annually by 1969.

KOREA, SOUTH

Feb. 6—A U.S. army guard shoots and kills a Korean boy at an army base after he refuses to heed the guard's warning.

Feb. 17—U.S. and South Korean authorities confer on means to stop Koreans from attempting illegal entry to U.S. bases.

LAOS

Feb. 27—Strategic positions in the Plaine des Jarres held by government forces are captured by the Pathet Lao.

LIBYA

Feb. 23—The Libyan government issues a statement declaring that it does not intend to renew treaties with the U.S. and Britain for rights to maintain military bases; the treaties will expire in the early 1970's.

MEXICO

(See *U.S. Foreign Policy*.)

NETHERLANDS, THE

Feb. 9—It is officially announced that Princess Irene has become engaged to Prince Carlos Hugo of Bourbon-Parma (a Roman Catholic and son of a pretender to the Spanish throne). Princess Irene, second in line of succession to the Dutch throne, renounces her right to the monarchy.

PANAMA

Feb. 4—The Council of the Organization of American States hears charges by Panama protesting U.S. aggression in the Canal Zone. By a vote of 16-1 the O.A.S. Council votes to act as "organ of consultation," as provided for by the Inter-American Treaty of Reciprocal Assistance (the Rio pact).

Feb. 7—The O.A.S. Council votes to establish a 17-nation committee to investigate the

Panamanian-U.S. conflict; the committee is also empowered to find a solution to the crisis that erupted last month.

Feb. 16—It is disclosed that the 5-nation delegation representing the 17-nation O.A.S. investigating committee has discovered little Communist influence behind the Panama riots.

Feb. 28—Sources disclose that the U.S. has informed an O.A.S. committee that the U.S. will wait if necessary "for several months" to negotiate differences with Panama.

Feb. 29—U.S. President Johnson, at a news conference, states that the U.S. is not unwilling to modify or adjust the 1903 Panama Canal Treaty but that the U.S. will not precommit itself before diplomatic relations with Panama are resumed. Panamanian President Roberto F. Chiari refuses to renew relations until treaty negotiations are assured.

PERU

Feb. 5—It is reported that peasants occupying private lands in Cuzco fought with police yesterday against being evicted; 17 peasants are killed.

PHILIPPINES, THE

(See *British Commonwealth, Malaysia and Indonesia*.)

RWANDA

Feb. 6—It is reported that Rwandan troops have forced back 3,000 Watusis attacking from the Congo.

Feb. 8—It is reported that some 10,000 Watusis have been massacred recently by Bahutu tribesmen.

SOMALIA

(See also *Ethiopia*.)

Feb. 9—President Aden Abdulla Osman proclaims a nationwide state of emergency. Fighting continues on the Somali-Ethiopian border.

SOUTH AFRICA, REPUBLIC OF

Feb. 6—In a message to the U.N. Secretary

General, U Thant, the Government refuses entry to a U.N. group wishing to study South Africa's racial situation.

SUDAN, THE

Feb. 27—It is announced that 300 foreign missionaries will be deported; a government statement declares that the missionaries are responsible for unrest in the southern Sudan.

SYRIA

Feb. 6—It is reported that a leader of the Baath party, Salah el-Bitar, has been purged.

Feb. 10—It is reported that Major General Amin el-Hafez has been elected secretary-general of the Baath party. The new leadership, it is disclosed, will meet to consider charges against former Premier el-Bitar.

TURKEY

(See also *British Commonwealth, Cyprus*)

Feb. 15—Sources report that Turkey has agreed to withhold intervention in Cyprus while attempts are made to find a solution.

Feb. 21—An unsuccessful assassination attempt is made on the life of Premier Ismet Inonu. The assassin is captured.

U.S.S.R., THE

(See also *British Commonwealth, Cyprus; Cuba, Vietnam.*)

Feb. 10—Soviet Premier Nikita Khrushchev opens a plenary meeting of the Communist Party's Central Committee devoted to agricultural problems. Soviet Minister of Agriculture Ivan Volovchenko outlines a program to increase farm output.

The U.S. announces that Yuri I. Nosenko, working with the Soviet delegation to the Geneva disarmament conference, has asked for political asylum.

Feb. 14—In a speech lasting several hours before the Central Committee of the C.P.S.U., Khrushchev criticizes "Trotskyites" for impairing Communist unity; he promises to reunite the Socialist camp.

Khrushchev suggests that a national pen-

sion fund be set up for workers on collective farms.

Feb. 15—A final resolution, at the end of the Central Committee's 6-day meeting, calls for increased agricultural production resulting from the use of more scientific and technological methods.

Feb. 22—The U.S. and the U.S.S.R. sign a 2-year agreement providing for cultural, educational, scientific and technical exchanges.

UNITED STATES, THE

Agriculture

Feb. 24—Secretary of Agriculture Orville L. Freeman announces a Rural Renewal Program; a pilot program, it will provide loans and technical aid for low-income farming areas in 5 states.

Foreign Policy

(See also *Panama, U.S.S.R. and Vietnam.*)

Feb. 1—President Johnson declares that he sees no immediate hope for neutralizing North and South Vietnam as proposed by French President Charles de Gaulle. Instead Johnson promises to help South Vietnam step up its military effort.

Feb. 5—It is disclosed that the U.S. Ambassador to Ghana will be recalled for "consultation." (See also *British Commonwealth, Ghana.*)

Feb. 6—A statement is issued following a high-level meeting at the State Department; the statement asserts that the 4 Cuban fishing vessels detained by the U.S. had violated U.S. territorial waters. (See also *Cuba.*)

President Johnson reveals a U.S. offer to work with Israel to develop a nuclear-powered method of desalting sea water. (See also *Israel.*)

Feb. 11—In an address to members of the Internal Revenue Service, Johnson defends his foreign policies and scorns critics and "alarmists."

Feb. 12—The Defense Department announces that henceforth dependents of military or civilian personnel stationed at the Guantanamo naval base will not be permitted to go along.

Government

Feb. 13—A 2-day conference in Washington between Johnson and British Prime Minister Alec Douglas-Home ends. A joint communiqué is issued in which the two leaders endorse each other's policies in Southeast Asia, including the defense of Malaysia and South Vietnam. U.S. officials report that the U.S. has disagreed with Britain over granting long-term credits to the Soviet Union and over selling industrial goods to Cuba.

Feb. 17—Under Secretary of State George W. Ball reports to Johnson on his 8-day trip to Greece, Turkey, Britain and Cyprus in an effort to restore peace in Cyprus. (See also *British Commonwealth, Cyprus*.)

Feb. 18—The State Department announces that military aid will be cut off to 5 nations engaged in trade with Cuba: Britain, Yugoslavia, France, Spain and Morocco.

Feb. 21—President Johnson speaks at the University of California; he declares that "Peace must be our passion." Along with Mexican President Adolfo Lopez Mateos, Johnson receives an honorary doctorate of law degree.

Feb. 22—In Palm Springs, California, Mexican President Adolfo Lopez Mateos confers with Johnson.

Feb. 24—The U.S. State Department announces that an interagency committee has been established to coordinate U.S. policies in Vietnam. William Sullivan will be in charge of the new committee; he will be a special assistant to the Secretary of State.

Feb. 25—In a speech clarifying American foreign policy, Secretary of State Rusk explains that seemingly inconsistent U.S. policies toward the Communist countries are directed toward containing communism, avoiding a major war, and promoting national independence.

Feb. 29—In a live televised news conference, Johnson repeats his warning to North Vietnam that it is playing a "dangerous game." He also states "too much speculation has already taken place" over the strategy of the war in Vietnam.

Feb. 1—President Johnson announces that he has named Peace Corps Director Sargent Shriver to head the Administration's "war against poverty."

Feb. 3—It is announced that Eric F. Goldman, Rollins Professor of History at Princeton University, has been appointed a consultant to channel ideas from persons outside the government "to the White House."

Mrs. Lee H. Oswald, widow of the man accused of assassinating President John F. Kennedy, appears before the Warren commission investigating the assassination.

Feb. 4—President Johnson signs the document certifying that the Twenty-Fourth Amendment (anti-poll tax) has been ratified by the necessary three-fourths of the states.

Attorney General Robert F. Kennedy announces the first major project to aid the Appalachian region; a \$12 million program to aid young people in Kanawha County, West Virginia.

Feb. 5—Johnson, speaking at the second annual international awards dinner of the Joseph P. Kennedy Jr. Foundation, pledges to carry on President Kennedy's fight to eliminate mental retardation and illness.

In a message to Congress, President Lyndon B. Johnson outlines a program to protect American consumers, particularly in the low-income groups.

Feb. 8—President Johnson receives a report by the Council on Aging; the report proposes a "gradual retirement" plan for older workers and recommends helping the aged with housing and welfare services.

Feb. 10—In a message to Congress on health care, Johnson appeals for a health care program for the aged to be financed through social security.

The House of Representatives passes, 290-130, civil rights legislation to safeguard Negroes' voting rights, to prohibit discrimination in public accommodations and public facilities, and to end job discrimination.

A 3-member federal judges' panel rules

that both houses of the Connecticut state legislature must be reapportioned on the basis of population.

Feb. 11—President Johnson signs a \$135 million program for federal aid to improve library services.

Feb. 14—President Johnson speaks in St. Louis at the city's two hundredth anniversary; he states that no American city can be safe until "the world is made safe for diversity."

Feb. 19—Robert G. Baker, appearing before the Senate Rules Committee investigating whether he misused his office as secretary to the Democratic majority in the Senate for his own profit, refuses to submit his business records to the Committee. Baker invokes 4 constitutional amendments to justify his action.

Feb. 22—The General Assembly of the state of Georgia passes a bill to redistrict its Congressional districts on the basis of population.

It is reported that a study prepared by Eugene Black, formerly president of the World Bank, and Stanley deJ. Osborne, a partner in an investment banking firm, strongly urges the U.S. to develop a supersonic jet passenger plane.

Feb. 25—Robert Baker appears before the Senate Rules Committee; he invokes constitutional immunities for declining to answer questions about his personal career.

The Warren commission names Walter E. Craig, President of the American Bar Association, to defend the interests of Lee H. Oswald.

The Senate approves the nomination of Carl T. Rowan as United States Information Agency director.

The resignation of Roger Hilsman Jr., Assistant Secretary of State for Far Eastern Affairs, is announced by the White House.

The Senate confirms the appointment of Fulton Freeman as Ambassador to Mexico.

Feb. 26—President Johnson signs a bill providing for an \$11.5 billion annual tax cut for corporations and individuals.

Robert Baker's secretary, Nancy Carole Tyler, refuses to testify before the Senate

Rules Committee; she invokes constitutional immunity.

Stan Musial, a member of the St. Louis Cardinals baseball club, is sworn in as director of the U.S. physical fitness program.

Feb. 28—It is announced that Deputy High Commissioner of the Pacific Trust Territories Jose A. Benitez resigns; Benitez was associated with Bobby Baker in arranging a meat deal sale.

Feb. 29—President Johnson completes his first 100 days in office. In a live television news conference, he reveals that the U.S. has developed a supersonic experimental jet airplane, the A-11, capable of flying over 2,000 miles an hour at altitudes over 70,000 feet. Johnson announces several appointments, including his intention to appoint William P. Bundy Assistant Secretary of State for Far Eastern Affairs. Bundy is currently Assistant Defense Secretary for International Security Affairs.

Labor

Feb. 1—A strike is called by members of Local 333 of the United Marine Division of the National Maritime Union; they reject a proposed 3-year contract. Some 3,000 tugboat, tanker and barge employees are involved in the strike.

Feb. 16—President of the International Longshoremen's Association Thomas Gleason wires I.L.A. officials in the Houston and New Orleans areas to stop loading wheat headed for Russia until an agreement is reached that at least 50 per cent of the wheat be shipped in American vessels.

Feb. 17—President of the A.F.L.-C.I.O. (American Federation of Labor and Congress of Industrial Organizations) George Meany reports at the opening session of the A.F.L.-C.I.O. Executive Council on the 13-month old strike of the nonoperating railroad unions at the Florida East Coast Railway.

Feb. 18—It is reported that some 23,000 employees of the New York Telephone Company have voted to be represented by the Communications Workers of America. In the election, supervised by the National

Labor Relations Board, the C.W.A. received 12,558 votes, the International Brotherhood of Teamsters, 8,751, and the Independent Brotherhood of Telephone Workers, 574.

Feb. 20—Meany declares, in a news conference, that increased business productivity can afford higher wages for labor without promoting inflation.

Feb. 21—Mediators trying to settle the tugboat strike report a deadlock in negotiations.

Feb. 25—To end the longshoremen's ban on loading wheat for Russia, President Johnson orders that the government must honor its commitment to ship 50 per cent of wheat for the Soviet Union in U.S. ships.

Feb. 27—Two explosions on the Florida East Coast Railway cause a derailment; the railway's Jackson-to-Miami track is severed. President Johnson appeals for an end to the violence that has characterized the strike; he states that he has asked the F.B.I. to investigate.

Military

(See also *U.S. Government.*)

Feb. 2—The 804-pound Ranger 6 spacecraft hits the moon on target. The 2 independent sets of cameras on board fail to send back pictures of the lunar surface.

Politics

Feb. 7—President Johnson addresses a closed meeting of the President's Club (composed of Democrats who have contributed at least \$1,000 to the Party) during a trip to New York City. (See also *U.S. Segregation.*)

Feb. 8—Senator Barry Goldwater of Arizona tells Chicago Republicans that U.S. forces should have "seized" the pumping station supplying water to the Guantanamo naval base in Cuba.

Feb. 10—Senator Margaret Chase Smith (Republican from Maine) begins her campaign in the New Hampshire presidential primary election.

Feb. 12—Former Vice-President Richard Nixon speaks at a Lincoln Day dinner in Ohio; he criticizes racial boycotts and appeals for "responsible civil rights

leaders to take over from the extremists."

Feb. 20—New York Governor Nelson Rockefeller makes 6 appearances while campaigning in the New Hampshire presidential primary, scheduled for March 10.

Feb. 24—It is reported that Rockefeller has asked Henry Cabot Lodge, Ambassador to South Vietnam, for his support in the New Hampshire primary; a write-in campaign to draft Lodge is under way in New Hampshire.

Segregation

Feb. 3—Hours after 12 Negro students are denied entrance to Tuskegee High School, Federal District Court Judge Frank Johnson orders Alabama Governor George Wallace and the State Board of Education to stop interfering with school desegregation in Macon County. Judge Johnson extends the desegregation order to 2 rural high schools, Macon County High and Shorter High, where whites boycotting Tuskegee have enrolled.

A one-day boycott of New York City's public schools, called by the Citywide Committee for Integrated Schools, is staged peacefully. Student absentees total 360,000 above the average daily figure. The boycott protests dissatisfaction with integration efforts by New York City school authorities. Some 3,500 schoolchildren demonstrate in front of the New York City Board of Education headquarters to demand "instant integration."

Feb. 5—Mayor James Rea of Notasulga, Alabama, refuses to admit 6 Negroes seeking to enroll in the Macon County High School. Rea says that the 6 Negroes would create a "fire hazard."

Feb. 7—The jury trying Byron De La Beckwith for the murder of Negro civil rights leader Medgar Evers reports that it is unable to reach a verdict after the twentieth ballot. Judge Léon Hendrick proclaims a mistrial.

The New York City Board of Education invites the State Education Commissioner to recommend a plan to end racial imbalance in the schools.

Feb. 13—Federal District Court Judge Johnson orders Notasulga officials not to block desegregation at Macon County High School.

The Chicago (Illinois) Board of Education announces that it will work out a plan for racial integration in the schools.

Feb. 14—Police in St. Louis, Missouri, arrest 80 civil rights marchers heading for the hotel where President Johnson will speak at the city's two-hundredth birthday celebration.

Feb. 24—New York State Commissioner of Education James Allen requests that his special advisory committee on integration make a study of New York City's school racial problems, to be presented to him by May, 1964.

The Chairman of the Citywide Committee for Integrated Schools, Rev. Milton Galamison, criticizes Allen's step.

Feb. 25—It is reported that some 172,000 Chicago school children were absent in a one-day boycott to protest de facto segregated schooling.

Feb. 26—In 2 demonstrations by students at Maryland State College, police dogs and fire hoses are used to stop student marchers.

Feb. 27—At a political fund-raising dinner for the Democratic party in Miami Beach, President Johnson supports civil rights and pledges to strive for the elimination of "the last barrier of intolerance."

Supreme Court

Feb. 17—In a 6-3 vote, the Supreme Court decides that congressional districts should be roughly equal in population so that "one man's vote in a Congressional election is to be worth as much as another's."

VIETNAM, NORTH

Feb. 13—It is reported that North Vietnam has declared that Communist China will come to its defense if attacked by the U.S.

VIETNAM, SOUTH

Feb. 2—Major General Nguyen Khanh, chief of the military government that seized power last week, visits a rural village where

an offensive against Viet Cong (pro-Communist) rebels is under way.

Feb. 4—In Saigon, some 1,000 students demonstrate for the return of Major General Duong Van Minh, ousted by Khanh.

Feb. 8—A government spokesman declares that General Khanh has taken over the premiership and that General Minh has been named nominal head-of-state. Other Cabinet officers are also named.

It is reported by a government spokesman that yesterday over 100 government soldiers were killed by Communist guerrillas who afterwards fled to Cambodia.

Feb. 9—Two U.S. soldiers are killed and over 20 other U.S. citizens are hurt by explosions at a softball game. It is believed that Communist terrorists are responsible.

Feb. 17—An explosion in a movie theater in the American community in Vietnam kills 3 Americans and injures about 50 others.

Feb. 18—U.S. Secretary of Defense Robert McNamara tells the House Armed Services Committee that the U.S. still hopes to continue its troop withdrawal from Vietnam; the withdrawal is scheduled for completion by 1965.

Feb. 21—U.S. President Johnson declares that "external direction" of the war in South Vietnam "is a deeply dangerous game." It is believed that the President's statement is a warning to North Vietnam, which assists Viet Cong guerrillas. (See also *U.S. Foreign Policy*.)

Feb. 25—*Tass* (official Soviet press agency) releases an "authorized statement" in which the Soviet Union warns the U.S. not to carry the war in South Vietnam into North Vietnam.

Feb. 27—It is reported that last night Viet Cong guerrillas defeated government troops in the Mekong Delta.

YUGOSLAVIA

(See *U.S. Foreign Policy*.)

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